[redacted]

(19,247.)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1904.

No. 195.

JOSEPH L. HARLEY, APPELLANT,

vs.

THE UNITED STATES.

APPEAL FROM THE COURT OF CLAIMS.

INDEX.

	Original.	Print.
Caption	1	1
Petition	1	1
Traverse (omitted in printing)	6	—
Argument and submission	7	4
Claimant's motion to amend findings	7	4
Order on motion of claimant to amend findings	8	5
Defendant's motion to amend findings (omitted in printing)	9	—
Order on motion of defendant to amend findings (omitted in printing)	13	—
Findings of fact	14	5
Conclusion of law	18	11
Opinion	19	11
Judgment	21	14
Application for appeal	22	15
Order allowing appeal	22	15
Clerk's certificate	23	15
Assignment of errors and designation by appellant of parts of record to be printed	24	15

JUDD & DETWEILER, PRINTERS, WASHINGTON, D. C., JUNE 7, 1904.

1 In the Court of Claims.

JOSEPH L. HARLEY
vs.
THE UNITED STATES. } No. 14421.

I.—*Petition. Filed July* 24, 1884.

To the honorable the Court of Claims:

Your petitioner, Joseph L. Harley, respectfully represents:

I.

That he is a citizen of the United States, and that he has at all times borne true allegiance thereto.

II.

That your petitioner is the inventor and patentee of a certain mechanical device, being an "improvement in plate-printing register," for which letters-patent No. 100,399, dated March 1, 1870, were issued to him by the defendant; that he is now, and ever has been, sole owner of said patent.

III.

That ever since the issuance of said letters-patent to claimant the defendant has constructed and used continuously, from and since the date of said letters-patent, to wit, the 1st day of March, 1870, upon and in connection with the plate-printing presses used by the defendant, in the Bureau of Engraving and Printing, the device aforesaid, so patented and secured to and owned by the claim-
2 ant as aforesaid; that the number of said devices so made and used by the defendant continuously, in connection with said presses, and now used, was and is a large number, to wit, the average number of two hundred and twenty-eight (228); that one of the said devices has been used during all the time aforesaid, and is now used, upon each hand plate-printing press, one on each steam plate printing-press, and one on each steam-surface printing press, which, during the term aforesaid, was and now is in use in the said Bureau; that on all the said presses during all the period aforesaid, and ever since the issuing of said letters-patent, have been printed all the bonds, Treasury notes, national bank notes, internal revenue stamps, pension checks, disbursing officers' checks, private die stamps, documentary and proprietary stamps, and valuable miscellaneous printing, which have been and are being printed by the defendant for its own use and service; and each impression so made

is and has been accurately registered, by means of the said use o
said device, so attached to each press, and secured to and owned b
claimant as aforesaid; that by the application and use of said devic
as aforesaid the defendant has saved and been freed from the expens
of the services of a large number of persons whose services, withou
the use of said device, would have been indispensably necessary t
the proper protection of the interests of the defendant in and abou
the said business; that the said work accomplished by the said de
vice is an infallibly accurate registration of the number of impres
sions made by each press to which said device is attached, and th
device is such that it can not be tampered with, nor the accuracy
of its registration of each and every impression destroyed or im
paired; and that the use thereof renders surreptitious printing im
possible, without detection, and, by reason of said infallible accuracy
of the said device, as a registration and preservation of the numbe
of impressions made by said presses to which the device is
3 attached, is far more reliable, accurate, and valuable than
defendant could possibly secure by means of the employment
of persons to keep account of said impressions.

And claimant further avers that the work accomplished by said device is in amount equal to the services of one person for each press to which said device is attached, and, as aforesaid, and for the reasons aforesaid, more valuable to the defendant, by reason of said greater accuracy; and that there is practically no substitute for said device, as a means of registering said impressions, except by using a person to each press; and such substitute is, as aforesaid, far less valuable, because less reliable and accurate.

Claimant further avers that the cost of constructing said device is fifteen dollars ($15).

Claimant further avers that the aggregate face value of the securities printed by the defendant, and so registered by means of said device, as hereinabove set forth, exceeds the sum of six hundred millions of dollars ($600,000,000) for each year during the time of its use, as above set forth.

IV.

Claimant further avers that by means and reason of all the facts and premises above set forth, and especially by means and reason of the exclusive rights and ownership belonging and secured to claimant by the making of the said invention, and by the said letters-patent to claimant from the defendant, securing to claimant the exclusive right to make, use, and vend said invention, and by means and reason of the use of said invention by the defendant, as herein set forth, the said defendant assumed, agreed, and promised to pay to the claimant the just, fair, and reasonable value of the privilege and use which the defendant has had, as aforesaid, in making and using said device so covered by said letters-patent.

4 And claimant further avers that the said right to make and use the said device, as the same has been had and enjoyed by the defendant, as hereinbefore stated, was and is reasonably worth the sum of twenty-five (25) cents for each of said devices so used, for each day during which the same has been used, as above set forth.

V.

Claimant further avers that each of the two hundred and twenty-eight (228) devices, which was used by the defendant as aforesaid, was used about and not less than three hundred (300) days in each full year, during all the period aforesaid since the first day of March, 1870, and, at that rate, during the present year and up to the bringing of the present action.

VI.

Claimant further avers that owing to the statute of limitations he only sues for and claims for the value of the said use by the defendant of the said invention and device so patented to the claimant, as had and enjoyed by the defendant during the last six years before the commencement of this action; and that during the said last six years next before the bringing of this action the defendant used an average of two hundred and twenty-eight (228) of said devices, as above averred, for and during eighteen hundred (1,800) working days.

VII.

Claimant further avers that he is the sole owner of the said claim; that no transfer or assignment of the same, or of any part thereof or of any interest therein, has ever been made by the claimant; that he is justly entitled to the amount herein claimed,
5 & 6 to wit, to twenty-five (25) cents per day for each of the said eighteen hundred (1,800) days during said last six years, for each of said two hundred and twenty-eight (228) devices so used by the defendant, making the aggregate of the said claim for said use amount to the sum of one hundred and two thousand six hundred dollars ($102,600), for which amount claimant asks judgment.

JOS. L. HARLEY.

SHELLABARGER & WILSON,
Attorneys for Claimant.

CITY OF WASHINGTON, *District of Columbia,* } ss:

Joseph L. Harley, the claimant in the above case, now comes, and on solemn oath says that he has heard the foregoing petition by him described fully read, and is acquainted with the contents thereof, and that the said petition so by him subscribed is true in substance and in fact, as he verily believes.

JOS. L. HARLEY.

Subscribed and sworn to before me by the claimant, Joseph L. Harley, this 23d day of July, A. D. 1884.

In witness whereof, I have hereunto set my hand and notarial seal.

[SEAL.] ROBERT R. SHELLABARGER,
Notary Public.

Post-office address of Joseph L. Harley, Washington, D. C.
Post-office address of Shellabarger & Wilson, the same place.

* * * * * * *

7 III.—*Argument and Submission of Case.*

This cause was argued on the 18th, 19th and 24th days of March, 1903, and submitted.

IV.—*Claimant's Motion to Amend and Supplement the Findings of Fact.*

Comes now the claimant, by his attorney, and moves the court to amend and supplement the findings of fact herein, as follows:

1. Change the word "complicated" to "completed," in printed line six, of finding IV.

2. Amend finding VI, so that it shall read:

VI.

The average number of presses with claimant's device used by the defendants between July 24, 1878, and July 24, 1884, was 200 per day, covering 1802 working days.

3. Add the following finding:

VII.

The reasonable value to the defendants of the use of said registers, and of the patented device of claimant which they embodied, if, under the facts found herein, the defendants are liable to pay therefor, is the sum of twenty-five cents per day for each of the 200 presses upon which said registers were attached and used, during said period of 1802 working days, aggregating the sum of $90,100.

4. Add the following finding:

VIII.

The patented device of claimant insures an unfailing record beyond surreptitious alteration and control. No other device, capable of performing its work, or affording like protection, has been brought forward in the proofs.

Respectfully submitted

A. A. HOEHLING,
Attorney for Claimant.

Filed December 30, 1903.

8–13 V.—*Order on Claimant's Motion to Amend Findings.*

It is ordered that the claimant's motion, filed December 30, 1903, to amend finding IV of the court by striking out the word "complicated" in line 6 and substituting the word "completed" is allowed.

Claimant's motion to amend finding VI of the court by striking out the figures "203" at the end of line 2 and substituting "200 per day" and adding thereafter the following: "covering 1802 working days" is allowed.

Claimant's proposed addition of finding VII is refused as immaterial, the claimant having failed to establish a contract with the defendants.

Claimant's proposed addition of finding VIII refused as being evidence going to the question of damages.

It is also ordered that the word "engraved" in line 2 of finding II of the court be stricken out and that the word "printed" be substituted therefor.

BY THE COURT.

Filed February 15, 1904.

* * * * * * *

14 VIII.—*Findings of Fact and Conclusion of Law.*

In this case the court filed its findings of fact and conclusion of law December 21, 1903 and subsequently to wit on February 15, 1904, it filed in lieu thereof its corrected and amended findings as follows:

This case having been heard by the Court of Claims, the court, upon the evidence, makes the following

Findings of Fact.

I.

Letters-patent No. 100399, dated March 1, 1870, were by the Government of the United States, duly granted and issued to the claimant, Joseph L. Harley, securing to him a monopoly, pursuant to the laws of the United States, in the invention described in said letters-patent, as follows:

United States Patent Office.

JOSEPH A. HARLEY, of Washington, District of Columbia. Letters Patent No. 100399, dated March 1, 1870.

Improvement in Plate-printing Register.

(The schedule referred to in these letters patent and making part of the same.)

To all whom it may concern:

Be it known that I, Joseph L. Harley, of the city of Washington, in the county of Washington, and District of Columbia, have invented certain improvements in registering devices in connection with printing-presses, of which the following is a specification, reference being had to the accompanying drawings.

My invention consists in the novel construction and arrangement of a series of mechanical devices, in connection with suitable dials for registering on their faces the exact movement of its parts, and also, in connecting these mechanical devices with their dials to a hand or other printing press adapted to the printing of fractional currency, bank notes, or similar articles, for the specific purpose of registering the exact number of times the bed-piece of the press is moved backward and forward, and consequently the exact number of impressions that could or should be taken or made by such movements.

In the drawings—

Figure 1 is a perspective view of the press with my mechanical devices for registering attached, and

Figure 2 is a side elevation, showing my mechanical devices as constructed and arranged.

In constructing and arranging my mechanical devices, I make a frame, P, and mount therein a bar, G, shaped as shown in Fig. 1, and having pivoted to it four pawls, d, d', e, and e', and having connected to it four springs, M, M′, N, and N′, located so as to bear against the under side of the pawls, one under each, respectively, for the pur-

pose of holding them in position, and I arrange the bar so that it may be moved in alternate directions on pins C, passing through slots *h*, limiting its movement by a spring-stop, L, which catches into notches *g* on its under side, and which has one end attached to the frame P, all as shown in Fig. 1.

In the same frame P, I mount a star-wheel, H, two ratchet-wheels I and I′ of equal size, having studs *f* and *f′* attached to their faces respectively, two smaller wheels K and K′, of equal size, with their peripheries formed in semicircular curves, and two drops, J and J′. These wheels and drops are shaped and arranged in the relative positions as shown in said Fig. 1.

To the frame P, I also attach the pawls *i* and *i′*, to catch in the ratchet-wheels I and I′ respectively, and also the springs *j* and *j′*, to be connected with the upper ends of the drops J and J′, respectively. These drops J and J′ have on the inner side of their upper ends a stud, *k*, represented in dotted lines, all as shown in the same Fig. 1.

The manner in which these devices operate is as follows:

When the star-wheel H moves in the direction of arrow No. 1, one of its points will bear against the end of the pawl *d* and slide the bar in the direction of arrow No. 2, while the pawl *e′* will turn the ratchet wheel I′ the distance of one catch or tooth in the direction of arrow No. 5, and at the same time, the wheel I being held stationary by the ratchet *i*, the pawl *e* will be depressed by the pressure of a tooth on this ratchet-wheel I and be carried into the next tooth by the spring N, and while this is being done the pawl *d′* will be pressed down by another tooth of the star-wheel and be carried up behind it by the spring M′ as soon as it has turned far enough for the purpose.

When the bar G has been carried far enough to accomplish these results, the point of the star-wheel moving it can pass by the point of the pawl *d* and will move it no further. At the same time the bar is held in position by the stop L, and further continued movement of the star-wheel in that direction cannot affect the position of the ratchet-wheel I′.

The movement of the star-wheel H is now reversed and turned in the direction of arrow No. 3, when one of its points will bear against the end of pawl *d′* and slide the bar G in the direction of arrow No. 4, when the pawl *e′* will be carried back one notch on the ratchet-wheel I′, which is held stationary by the pawl *i′*.

At the same time the pawl *e* will move the ratchet-wheel I forward in the direction of arrow No. 6 the distance of one notch, and the pawl *d* will be depressed and dropped back a notch on the star-wheel, and when the bar has been carried far enough to ac-
16 complish these results, as before, the point of the star-wheel will pass by and cease to act on the pawl, and the bar will be held by the stop L. In this way the ratchet-wheels I and I′ are moved one notch in opposite directions by the movement of the bar G forth and back.

As these ratchet-wheels revolve, the studs *f* and *f′* on their faces,

respectively, will come in contact with a projecting arm, *l*, of the respective droppers J and J′ and raise them vertically until they (the studs) come in contact with a semicircle in the periphery of the wheels K and K′, respectively, when in their onward movement they will turn these wheels just the distance of the length of one of the curves in their peripheries and then pass on away from it.

At the same time that the drops J and J′ have been raised high enough to allow the studs *f f′* to come in contact with the wheels K K′ the studs *k k′* have been raised high enough to allow the wheels to clear them in turning, and when the studs *f f′* leave the wheels K K′, they also leave the droppers J J′ free to fall, which they do, when the studs *k* in their upper ends will drop into and lock the wheels K K′ in position until the studs *f f′* come round again to move them, and this movement of the droppers is made positive by the springs *j j′* attached to their upper ends.

It will thus be seen that if the wheels I I′ be provided each with one hundred ratchets or notches, and the wheels *k k′* have each twelve semicircular curves in their peripheries, that one revolution of the wheels I and I′ would indicate two hundred movements of the bar G, or one hundred each way, and that one revolution of the wheels K and K′ would indicate twelve revolutions each of the wheels I and I′, or twenty-four hundred movements of the bar G, being twelve hundred each way.

These movements are clearly shown by attaching dials O O′ to the wheels I and I′ and dials P P′ to the wheels K and K′, respectively.

This registering device I use in combination with a hand-press having some novelties in its construction, as shown in Fig. 2 and hereinafter explained.

This press is of the class of hand-presses used in printing bank notes and similar articles, and consists of a frame, A, with an under roller, B, and upper one, C, mounted therein, and with the bed-plank D between them. Also, of the set-screws *b*, for setting the roller C and the levers R, for operating the press.

To one end of the roller B is attached a cog-wheel, F, which gears into a ratchet-plate, E, fastened to the edge of the bed-plank D, as shown in Fig. 1, and to the end of the same roller is attached a stop-pin *a*, to limit the movement of the roller, as shown in the same figure.

The registering-device above described I attach to the printing-press by connecting the star-wheel H, by a pin or other suitable device, to the roller B, and surround it with a strong metallic case, having, if desired, a door that may be securely locked.

On the front of the dial-plate are dials O O′, with hands connected to the wheels I I′; also, dials P P′, connected to the wheels K K′.

It will now be seen that with a press and registering-device thus constructed, arranged, and combined, every movement of the bed-plank will be registered on the faces of dials, in whichever direction

it moves, and that, as the roller B can only move far enough to take a single impression, every time the plate from which the impressions are made is passed between the rolls becomes duly registered
17 and must be accounted for, and that it will be impossible for the operators to take any impressions of any kind from the plates by means of the press without being detected, especially when the dials cannot in any way be reached by the operators.

It will thus be seen that by means of the press, register, &c., thus constructed and arranged, every impression must be accounted for, whether taken upon the paper furnished for the purpose, or taken upon sheets that are not required to be accounted for, since the bed-plank can not be moved without at the same time moving the roller B, which in turn moves the register.

Having thus described my invention,

What I claim is—

1. A registering-device, consisting of the sliding bar G, with its pawls *d d'* and *e e'*, star-wheel H and ratchet-wheels I and I', all constructed and arranged to operate substantially as herein described.

2. In combination with the ratchet-wheel I, the stud-pin *f* for operating the drop J and wheel K, in the manner substantially as herein described.

3. In combination with the star-wheel H and sliding bar G, with its notches *g*, the stop L, or its equivalent, constructed and arranged as described, for the purpose of limiting the movement of the bar G, as set forth.

4. The star-wheel H, the sliding bar G, with its pawls and springs, the ratchet wheels I and I', with their studs *f* and *f'*, the drops J and J', with their studs *k*, and the wheels K and K', when constructed and arranged to operate as herein described, for the purpose of registering on suitable dial-plates each movement of the bar G, as set forth.

5. In combination with a registering device as herein described, a printing-press having its roller B provided with a cog-wheel, F, and its bed-piece D with a ratchet-plate, E, for the purpose of securing a register of the movements of the bed-piece, as set forth.

6. In combination with the printing-press having cog-wheel F and ratchet-plate E, the stop *a*, for the purpose of limiting the movement of the roller B and its connections, as set forth.

JOS. L. HARLEY.

Witnesses:
H. B. MUNN.
PHIL. T. DODGE.

II.

In November, 1869, the Secretary of the Treasury determined that certain valuable securities should not be printed in the Bureau of Engraving and Printing until proper and reliable registers should

be attached to the presses. While the Chief of the Bureau was endeavoring to devise and procure a trustworthy form of register, the claimant brought to him the drawings of a device which he had invented, being substantially the device described in the foregoing letters patent. The Chief of the Bureau ordered a register to be immediately made after the claimant's device. At the time of giving such order he understood that the device was the claimant's invention.

The register so ordered being completed, and tried and found satisfactory, the Chief of the Bureau proposed to take the claimant to the Secretary of the Treasury that he might explain it to him. The claimant thereupon objected that the invention was not yet
18 patented, and that he wished, before exhibiting it, to obtain a patent for his individual protection. The Chief of the Bureau replied, "Certainly; I will see that you are protected." The claimant, then tacitly consenting, was taken before the Secretary, and explained to him the operation of the register, and the Secretary was at the same time informed that this was the register which the claimant had invented. The Secretary approved the form of register, and directed that such registers be made and attached to the presses in the Bureau.

Before such registers were manufactured the claimant remonstrated to the effect that he wished first to secure a patent. The Chief of the Bureau replied that he would see the claimant protected and would get him a patent attorney who would explain the law to him. This the Chief of the Bureau did, and the attorney so selected proceeded to procure the patent before set forth, the claimant, not the defendants, paying him and the costs and expenses thereof. The attorney so selected at the same time informed the claimant that the manufacture and use of registers in the Bureau would not interfere with or prevent the procurement of the patent.

After being so advised, the claimant raised no further objection to the registers being manufactured and used, and tacitly acquiesced in the same.

There was no agreement or understanding between the parties in regard to royalty or the payment of remuneration for the use of the claimant's invention in the Government's printing and engraving other than such as may be inferred from the preceding conversations. On the part of the claimant it was supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury. But on the part of the Secretary and Chief of the Bureau it was supposed and understood that the claimant, being an employee of the Treasury Department, would neither expect nor demand remuneration.

III.

That ever since the issuance of said letters patent the defendant has constructed, and has used continuously, from the date of said

letters patent, to wit, March 1, 1870, upon and in connection with plate printing presses used by the defendant in the Bureau of Engraving and Printing and in the Treasury building, the device aforesaid, so patented to the claimant, for the purpose of registering the number of impressions made by the various plate-printing presses, both hand and steam, employed and used by the defendant in the said Bureau of Engraving and Printing and in the Treasury Department building.

IV.

The claimant at the time of the making of his invention before described was assistant master machinist in the Bureau of Engraving and Printing. He was never assigned to the duty of making inventions, and it was not a part of his duty to do so; and the invention before described was made within his own time and exclusively at his own cost, and was a completed invention properly and sufficiently set forth in drawings when first brought to the Chief of the Bureau as set forth in finding II.

V.

The defendants were in the undisturbed use of the claimant's invention from July 24, 1878, to July 24, 1884, by attaching such registers to a great number of their presses. During that period the claimant made no objection to such use of his invention, and failed to give notice to the Secretary of the Treasury or the Chief of the Bureau of Engraving and Printing that he would demand royalty or remuneration therefor.

VI.

The average number of presses with claimant's device used by the defendants between July 24, 1878, and July 24, 1884, was 200 per day covering 1802 working days.

Conclusion of Law.

Upon the foregoing findings of fact the court decides as a conclusion of law that the petition of the claimant should be dismissed.

BY THE COURT.

19 IX.—*Opinion of the Court.*

NOTT, Ch. J., delivered the opinion of the court:

This case resembles Gill's (25 C. Cls. R., 415) in that "the claimant was a simple mechanic, on daily wages, holding a subordinate position, charged with no responsibility save that of performing honestly

his daily task, and his conduct was fair, honest, and irreproachable." It also resembles the Gill case in that he was the inventor of an exceedingly valuable device, which the Government has used many years in its business of engraving and printing; that it was not a part of his duty to make inventions; that his device was made and invented and perfected within his own time and exclusively at his own cost; and that while it has been of very great value to the Government he has never received for its use so much as one dollar.

At this point resemblances cease and differences begin: In Gill's case the claimant went to the officers of the Government with his invention and proffered it. In this case the officers of the Government came to the claimant; the superintendent of the Bureau of Engraving and Printing carried him, manifestly reluctant to go, before the Secretary of the Treasury, and the Secretary of the Treasury and the superintendent took the invention and attached it to the presses in the defendants' shops without a word of solicitation upon his part. In Gill's case the officers of the Government did not know that the claimant intended to patent his device, and eight of the nine machines used in the arsenal were in operation before he so much as applied for a patent. In this case the claimant demurred to the use of his device by the Government, and told the superintendent that he wished to patent it first; and the superintendent volunteered to supply him with a patent lawyer; and the patent lawyer which he so supplied assured the claimant that the use of the invention by the Government would not interfere with his rights as a patentee; and the superintendent knew that the invention would be patented and was being patented as fully and completely as the claimant himself.

In the Gill case it was said that the device when brought to the attention of the officers was simply "the committal of a thought to paper," and that its complicated parts were such that no one could say the device was valuable or that it would not require years of modifying and perfecting to make its value apparent, and that the Government bore the expense of bringing the invention to the test of practical operation. In this case the device was exceedingly simple; it was perfectly evident that it would be operative; the cost to the Government of making a register was too trival, both in time and money, to form a consideration, and was done voluntarily by the superintendent and not at the solicitation of the claimant.

But at this point unhappily the resemblances between the two cases begin again. The claimant did not speak out and say either to the Secretary or to the superintendent, "If the Government used my device I must be paid a royalty." It is painfully apparent that the poor mechanic, in the presence of such powerful employers, feared to speak. He rested, not on what was said by the Secretary or the superintendent or himself, but on a vague hope that if his register worked well the Secretary of the Treasury would allow him something. The work of introducing his device into the press room went on for seventy-three months and until the Bureau had attached

and used registers of his device amounting to an aggregate of 14,382. Then the claimant spoke.

In its business of engraving bank bills and bonds the Government is a manufacturer and entitled to no more consideration than any other engraver and printer. But it is entitled to no less. If this were an action between the claimant and an individual manufacturer two questions would arise: First. Was there a contract, express or implied, between the parties? Second. Did the employee so mislead the employer that as against his legal claim an equitable estoppel should preclude him from asserting his legal rights?

Of what are called, generally, "implied contracts," there are two kinds. The first is where a man has tortiously taken property and the owner waives the tort and sues *in assumpsit*. In such cases there is no meeting of the minds. It would be absurd to hold by legal fiction that their minds met, when the defendant unlawfully and against the owner's will took his property, or when without the owner's knowledge he sold it. Such cases rest upon the principle that if the owner chooses to waive a tort and sue for the money derived from his property which is in the defendant's hands, the defendant can not set up his own unlawful conduct as a defense. The second kind of implied contracts is where the parties met and their meeting resulted in a wordless agreement.

In the leading case of McKeever (14 C. Cls. R., 396) the War Department appointed a board of officers to consider the military devices which inventors were presenting for sale. The board recommended the claimant's device as one which should be adopted and used in the army. The War Department approved the recommendation and the Ordnance Bureau proceeded to manufacture. Here was an agreement in everything but words—an agreement on one side that the Government might use the invention, and on the other that it would pay for it what it might be reasonably worth.

If in the case now before us the inventor had said to the Secretary of the Treasury, "You may use my device, paying me a reasonable royalty," and the Secretary had said nothing, but had ordered the device adopted, a jury would be authorized to imply from the circumstances the words of acquiescence and agreement which the Secretary did not speak, and a contract would be implied. But, as before stated, the claimant did not speak, and the Secretary and superintendent remained under the illusion that the claimant did not intend to charge the Government anything for the use of the invention in a bureau in which he was an employee. Clearly here was a case where there might have been a meeting of minds and should have been a meeting of minds, but where there was none. The claimant said nothing about royalty; he heard the order given for the manufacture of registers after his design, and still he said not a word concerning remuneration.

It is a well-settled rule of law that a man can not have a contract thrust upon him against his will. As was said in the case of Boston

v. District of Columbia (19 C. Cls. R., 31), "An implied contract does not arise from a merely voluntary service. If a man make a gift *inter vivos* to-day he can not turn round and sue for its value to-morrow. So, if one perform an act beneficial both to himself and another he can not make the other contribute his quota of the cost without showing agreement or ratification. It is true that a wrong-doer may be held in contract though he made none; and it is true that one who receives a benefit or accepts a service may be estopped from saying that he did not agree to pay for it; but, nevertheless it is a general principle that no man can be forced into a contract against his will."

The closest analogy to the present case is that of gifts *inter vivos*. A man can not make presents to another year after year and then sue him for their value on an implied contract. It is true that the recipient gave no consideration; it may be true that no express words were spoken which indicated that the gifts were gifts; but if the giver allowed the other to believe that they were gifts and he accepted them in that belief, and there was no meeting of minds between them, expressed or unexpressed, looking toward a contract the law will not allow a contract for their value to be implied.

In this case the transactions were between employer and employee which comes near to being *inter vivos*, and the employer accepted and continued to accept in the belief that the implied license to use was to be without consideration—was to be a gift growing out of the peculiar relations of the parties, and this went on year after year. The defendants had no legal right to use the invention, but they had the right to print and engrave without using it. That is to say if they had known that a royalty would be exacted they had the right to save themselves that expense and to use registers of another device.

The judgment of the court is that the petition be dismissed.

Howry, J., did not sit in this case and took no part in the decision.

21 X.—*Judgment of the Court.*

JOSEPH L. HARLEY
vs.
THE UNITED STATES. } No. 14421.

At a Court of Claims held in the city of Washington on the 21st day of December 1903, judgment was ordered to be entered in the above-entitled cause as follows:

The court on due consideration of the premises find for the defendants, and do order, adjudge and decree that the petition of the claimant—Joseph L. Harley be dismissed.

BY THE COURT.

22 XI.—*Application for and Allowance of Appeal.*

JOSEPH L. HARLEY
vs.
THE UNITED STATES. } No. 14421.

Comes now the above-named claimant, by his attorney of record, and prays an appeal to the Supreme Court of the United States from the judgment entered herein in favor of defendants and dismissing the petition of claimant.

A. A. HOEHLING, JR.,
Attorney for Claimant.

Filed February 18, 1904.

Ordered that the appeal of the claimant be allowed as prayed for.

BY THE COURT.

February 18, 1904.

23 In the Court of Claims.

JOSEPH L. HARLEY
vs.
UNITED STATES. } No. 14421.

I, John Randolph, assistant clerk of the Court of Claims certify that the foregoing are true transcripts of the pleadings in the above-entitled cause, of the findings of fact and conclusion of law filed by the court, of the opinion of the court, of the judgment of the court, of the application for and allowance of appeal to the Supreme Court of the United States.

In testimony whereof I have hereunto set my hand and affixed the seal of said Court of Claims this 24 day of February, A. D. 1904.

[Seal Court of Claims.]

JOHN RANDOLPH,
Ass't Clerk Court of Claims.

24 In the Supreme Court of the United States, October Term, 1903.

JOSEPH L. HARLEY, Appellant,
vs.
THE UNITED STATES, Defendant. } No. 596.

The above-named appellant hereby gives notice that upon the hearing of said cause he will rely upon the following assignments of error:

I.

The court erred in refusing to hold, as matter of law, under the facts found by it, that a contract existed between appellant and defendant, whereby the latter became and was liable to pay to appellant the reasonable value of the use by it of his patented invention.

II.

The court erred in refusing to hold, as matter of law, under said facts, that the United States assumed and became liable to pay to appellant the reasonable value of the use by it of said patented invention.

25 III.

The court erred in holding, as matter of law, under said facts, that the petition of appellant should be dismissed; whereas, under said facts, judgment should have been entered for appellant and against the United States for the reasonable value of the use aforesaid.

IV.

That the facts so found by the court do not support or justify the conclusion of law aforesaid, or the judgment of the court dismissing appellant's petition.

V.

That the court erred in refusing to find the reasonable value of the use by the United States of the patented invention of appellant.

The appellant hereby designates, under the provisions of rule 10, paragraph 9, of the rules of this court, the following parts of the record on file herein as the parts thereof to be printed.

Petition	pages	(folio)	1–5
Argument and submission of case	"	(")	7
Claimant's motion to amend and supplement the findings of fact	"	(")	7
Order on said motion	"	(")	8
Findings of fact and conclusion of law	"	(")	14–18
Opinion of court	"	(")	19–20
Judgment of the court	"	(")	21
Application for and allowance of appeal	"	(")	22
Certificate of clerk	"	(")	23

A. A. HOEHLING, JR.,
Attorney for Appellant.

26 WASHINGTON, D. C., *March 4th*, 1904.

I hereby certify that on this date I have mailed, postage prepaid, addressed to Charles C. Binney, at his office in the North American building, Philadelphia, Pennsylvania, true copy of the foregoing assignments of error and designation of parts of record to be printed; said Charles C. Binney being special assistant attorney of the United States having charge of the defense of said cause.

A. A. HOEHLING, JR.,
Attorney for Appellant.

27 [Endorsed:] File No. 19,247. Supreme Court U. S. October term, 1903. Term No. 596. Joseph L. Harley, app't, *vs.* The United States. Assignment of errors & designation by appellant of parts of record to be printed. Filed Mar. 5", 1904.

Endorsed on cover: File No. 19,247. Court of Claims. Term No. 195. Joseph L. Harley, appellant, *vs.* The United States. Filed February 25", 1904. File No. 19,247.

SUPREME COURT OF THE UNITED

October Term, 1924.

No. 136

JOSEPH L. HARLEY, Appellant,

v.

THE UNITED STATES.

APPEAL FROM THE COURT OF CLAIMS.

BRIEF ON BEHALF OF APPELLANT.

A. A. Hoehling, Jr.,
W. W. Dyson,
Attorneys for Appellant.

Judd & Detweiler (Inc.), Printers, Washington, D. C.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1904.

No. 195.

JOSEPH L. HARLEY, APPELLANT,

v.

THE UNITED STATES.

BRIEF ON BEHALF OF APPELLANT.

FACTS.

The *facts* in this case, as found by the Court of Claims, are, in substance, as follows (*R., 6–11*):

In November, 1869, the Secretary of the Treasury determined that certain valuable securities should not be printed in the Bureau of Engraving and Printing until proper and reliable registers should be attached to the presses. While the chief of that bureau was endeavoring to devise and procure a trustworthy form of register, claimant, (an assistant master machinist in the bureau,) brought to him the drawings of a device that he had invented, (being the device hereinbelow referred to.) The chief of the bureau ordered a register to be immediately made after claimant's said device; and, at the time of giving the order, he understood that the device was the claimant's invention.

The register so ordered being completed, tried, and found satisfactory, said chief proposed to take claimant to the Secretary of the Treasury, in order that he might explain it to him. The claimant objected, upon the ground that the invention was not yet patented, and that, before exhibiting it, he wished to obtain a patent for his individual protection. The chief replied, "Certainly, I will see that you are protected."

The claimant, tacitly consenting, was taken before the Secretary, and, to him, explained the operation of the register, and the Secretary was, at the same time, informed that this was the register which claimant had invented. The Secretary approved the form of register and *directed* that such registers be made and attached to the presses in the bureau.

Before such registers were manufactured, claimant remonstrated, to the effect that he wished first to secure a patent: the chief replied that he would see claimant protected, and would get him a patent attorney, who would explain the law to him. This the chief did; and the attorney so selected proceeded to procure the patent, covering the aforesaid invention; the claimant, and not the defendant, paying said attorney and the costs and expenses thereof.

The attorney so selected, (at the same time,) informed claimant that the manufacture and use of the registers in the bureau would not interfere with or prevent the procurement of patent. After being so advised, claimant raised no further objection to the registers being manufactured and used, and tacitly acquiesced in the same.

Letters patent No. 100,399, dated March 1, 1870, covering the aforesaid invention, were, by the Government of the United States, duly granted and issued to claimant, securing to him a monopoly, pursuant to the laws of the United States, in the invention therein described; a copy of said letters patent being set forth in the findings herein (*R.*, *6–9*).

Claimant was never assigned to the duty of making in-

ventions, and it was not a part of his duty to do so; and the invention above referred to was made within his own time and exclusively at his own cost; and was a completed invention, properly and sufficiently set forth in drawings, when first brought to the chief of the bureau, as above set forth.

The defendant, ever since the issuance of said letters patent, has constructed and constantly used, upon and in connection with plate-printing presses in the Bureau of Engraving and Printing, and in the Treasury building, the device aforesaid, so patented to claimant, for the purpose of registering the number of impressions made by the various plate-printing presses, both hand and steam, employed and used by defendant in each of said places.

The average number of presses to which were attached the invention and patented device of claimant, as aforesaid, between July 24, 1878, and July 24, 1884, (being the period covered by this suit,) was 200 per day, covering 1,803 working days.

The court below further found that there was no agreement or understanding between the parties in regard to royalty, or the payment of remuneration for the use of claimant's invention by the Government, "other than such as may be inferred from the preceding conversations;" that, on the part of claimant, "it was supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury;" but, on the part of the Secretary and chief of the bureau, "it was supposed and understood that the claimant, being an employé of the Treasury Department, would neither expect nor demand remuneration."

The court below further found that, during the period aforesaid, defendant was in the undisturbed use of claimant's said invention; that claimant made no objection to such use, and failed to give notice to the Secretary of the Treasury or

the chief of the Bureau of Engraving and Printing that he would demand royalty or remuneration therefor.

Upon the foregoing facts, the court below concluded, as matter of law, that the petition of claimant should be *dismissed*.

From that judgment, claimant appealed to this court (*R.*, *15*).

ASSIGNMENTS OF ERROR.

The *errors* assigned upon this appeal are set forth in the record (*R.*, *16*), and, in substance, the following questions are thereby presented for review:

> "1. The court erred in refusing to hold, as matter of law, under the facts found, that a contract existed between appellant and defendant, whereby the latter became and was liable to pay the reasonable value of the use by it of the patented invention of appellant.
>
> "2. The court erred in refusing to hold, as matter of law, under said facts, that, in any event, the United States assumed and became liable to pay to appellant the reasonable value of the use by it of said patented invention.
>
> "3. The court erred in refusing to find the reasonable value of the use by the United States of the patented invention of appellant."

These propositions will be considered in the order stated.

BRIEF.

I.

THERE WERE PARTIES COMPETENT TO CONTRACT, AND THERE WAS PROPER SUBJECT-MATTER FOR AGREEMENT OR CONTRACT.

Appellant, Harley, possessed a certain invention, to wit, a register for use on plate-printing presses, which register defendant desired and deemed it necessary to use. Harley was competent to make a contract, being of lawful age and under no disability of any kind.

The invention, which was promptly reduced to the form of property and to possession through patent, was matter upon which the contract could and did operate.

The Secretary of the Treasury had ample authority, and consequently capacity, to contract on the part of the Government for the use of said registers. This is conceded by defendant in its brief below (pp. 506–7, record below) in these words:

> "At the time when the circumstances from which it is now sought to imply a contract occurred, the power to make such a contract had been granted in the following language:"

Said brief then quotes the language of the act referred to:

> "That the Secretary of the Treasury be, and is hereby, authorized, in case he shall think it inexpedient to procure said notes, or any part thereof, to be engraved and printed by contract, to cause the said notes, or any part thereof, to be engraved, printed, and executed in such form as he shall prescribe, at the Treasury Department in Washington, and under his direction; and he is hereby empowered to purchase and provide all the machinery and materials,

and to employ such persons and appoint such officers as may be necessary for this purpose (act of July 11, 1862, § 2; 12 Stats., 532; see Rev. Stats., § 3577)."

Said brief further says on this point (p. 507):

"In pursuance of this statute the Bureau of Engraving and Printing was established, and subsequent statutes authorized, expressly or by necessary implication, other documents than the Treasury notes referred to in the above section to be engraved at the bureau, but the power to contract remained unchanged."

II.

THE SECRETARY OF THE TREASURY, IN VIRTUE OF THIS STATUTORY ENACTMENT, HAD FULL AUTHORITY TO ACT THROUGH AGENTS OR SUBORDINATE OFFICERS, AS INDEED THE VARIOUS EXECUTIVE OFFICERS MUST DO IN SUCH MATTERS FROM THE VERY NATURE OF THE CASE.

The Secretary of the Treasury did act both directly (in person) and through his immediate agent, the chief of the Bureau of Engraving and Printing (McCartee), as will be presently pointed out.

The quoted act provides:

"That the Secretary of the Treasury * * * is hereby empowered * * * to employ such persons and appoint such officers as may be necessary for this purpose."

The chief of the Bureau of Engraving and Printing (McCartee) was such person and officer.

That the Secretary of the Treasury did act directly and personally, and also through his immediate representative and agent, the chief of the Bureau of Engraving and Printing, is shown by finding II herein, as follows:

"In November, 1869, the Secretary of the Treasury determined that certain valuable securities should not be printed in the Bureau of Engraving and Printing until proper and reliable registers should be attached to the presses. While the chief of the bureau was endeavoring to devise and procure a trustworthy form of register, the claimant brought to him the drawings of a device which he had invented, being substantially the device described in the foregoing letters patent. The chief of the bureau ordered a register to be immediately made after the claimant's device. At the time of giving such order he understood that the device was the claimant's invention.

"The register so ordered being completed, and tried and found satisfactory, the chief of the bureau proposed to take the claimant to the Secretary of the Treasury that he might explain it to him. The claimant thereupon objected that the invention was not yet patented, and that he wished, before exhibiting it, to obtain a patent for his individual protection. The chief of the bureau replied, 'Certainly; I will see that you are protected.' The claimant, then tacitly consenting, was taken before the Secretary, and explained to him the operation of the register, and the Secretary was at the same time informed that this was the register which the claimant had invented. The Secretary approved the form of register, and directed that such registers be made and attached to the presses in the bureau."

It will be observed that, according to this finding, the Secretary was at the same time informed that this was the register which appellant had invented; and, further, that *the Secretary approved the form of register and directed that such registers be made and attached to the presses in the bureau.*

Thus it appears that this was the immediate and direct act of the Secretary of the Treasury in his official capacity, and with full knowledge of claimant's rights in the premises and within his statutory powers.

III.

BEFORE APPELLANT CONSENTED TO SHOW HIS DEVICE TO THE SECRETARY OF THE TREASURY, AND AGAIN AFTER HE HAD SO SHOWN IT, (UNDER AN ASSURANCE OF PROTECTION,) BUT BEFORE CONSENTING TO THE USE OF THE REGISTERS, APPELLANT DEMANDED PROTECTION, AND DECLARED THAT HE WANTED FIRST TO SECURE HIS PATENT. NOT UNTIL PROTECTION WAS A SECOND TIME PROMISED DID HE ASSENT TO USE OF HIS INVENTION.

That this is so, is clearly shown in said Finding II. The first demand and promise of protection have just been quoted from Finding II; the second is thus stated therein:

> "Before such registers were manufactured the claimant remonstrated to the effect that he wished first to secure a patent. The chief of the bureau replied that he would see the claimant protected and would get him a patent attorney who would explain the law to him. This the chief of the bureau did, and the attorney so selected proceeded to procure the patent before set forth, the claimant, not the defendants, paying him and the costs and expenses thereof. The attorney so selected at the same time informed the claimant that the manufacture and use of registers in the bureau would not interfere with or prevent the procurement of the patent.
>
> "After being so advised, the claimant raised no further objection to the registers being manufactured and used, and tacitly acquiesced in the same."

This, we contend, indicates a meeting of minds, an assertion and a recognition of right of property in claimant, a demand that such be respected and protected, and a promise that it would be.

IV.

DEFENDANT HAS CONSTRUCTED AND USED CONTINUOUSLY FROM THE DATE OF APPELLANT'S PATENT, THE DEVICE SO PATENTED TO HIM, AND WAS, THROUGHOUT THE ENTIRE PERIOD COVERED BY THIS CLAIM, IN THE UNDISTURBED USE OF HIS INVENTION.

This is expressly held in Findings III and IV herein. Said Finding III reads:

> "That, ever since the issuance of said letters patent, the defendant has constructed, and has used continuously, from the date of said letters patent, to wit, March 1, 1870, upon and in connection with plate-printing presses used by the defendant in the Bureau of Engraving and Printing and in the Treasury building, the device aforesaid, so patented to the claimant, for the purpose of registering the number of impressions made by the various plate-printing presses, both hand and steam, employed and used by the defendant in the said Bureau of Engraving and Printing and in the Treasury Department building."

And in Finding V, it is said:

> "The defendants were in the undisturbed use of the claimant's invention from July 24, 1878, to July 24, 1884, by attaching such registers to a great number of their presses. During that period the claimant made no objection to such use of his invention, and failed to give notice to the Secretary of the Treasury or the chief of the Bureau of Engraving and Printing that he would demand royalty or remuneration therefor."

It is to be observed that the failure to give notice here alleged, applies only to the period from July 24, 1878, to July 24, 1884, and does not at all deny the notice given through the original demands for protection, immediately

preceding disclosure to the Secretary of the Treasury, and again immediately preceding the construction and application of the registers. This was a mere continuation of the unbroken use, beginning late in 1869, or early in 1870, and still continuing. The claim is limited by the Tucker act to six years, hence this period is stated.

V.

A PARTY IS NOT UNDER OBLIGATION TO RENEW OR REPEAT NOTICE OF HIS RIGHTS. THE PATENT IS ITSELF NOTICE TO ALL THE WORLD.

The rule must be the same in this case as it would be where a suit is based upon infringement of a patent, instead of upon an implied license to use the patent.

The circuit court of appeals for the eighth circuit, in Stearns-Roger Mfg. Co. *v.* Brown, and Portland Gold Min. Co. *v.* Same, (*114 F. R., 939,*) said, *inter alia*, (*p. 944*):

> "The manufacturing company was informed that Brown claimed its furnace was an infringement in 1893. It then had the option to retire from its manufacture and sale, or to proceed with it, and take the chances. It chose the latter alternative. Brown did not induce it to make this choice. The company made its own choice with its eyes open, and with full notice of Brown's claim, and it has ever since continued to follow it against the protest and in spite of the notice of Brown to it to desist. One who, with full knowledge of a patentee's claim of infringement, and against his protest, continues to trespass, cannot, on the ground of the estoppel or laches of the patentee, successfully defend a suit for infringement brought, or a motion for a preliminary injunction made, within any reasonable time. Repeated willful trespasses establish no right to their continuance."

And in Sessions *v.* Romadka (*145 U. S., 29*) it was thus stated:

> "* * * and in view of the fact that all letters patent are recorded, with their specifications, in the Patent Office, a record which is notice to all the world, it is not an unreasonable requirement that the defendant, who relies upon a want of knowledge upon his part of the actual existence of the patent, should aver the same in his answer, that the plaintiff may be duly advised of the defense."
>
> Citing Rubber Co. *v.* Goodyear, 9 Wall., 788, 801; Allen *v.* Deacon, 10 Sawy., 210; 21 Fed. Rep., 122.

In the case at bar, there is no pretense of lack of knowledge of appellant's rights, or of lack of notice from him and demand for protection.

VI.

THE PROTECTION DEMANDED WAS PROTECTION AGAINST DEFENDANT, THAT IS, PROTECTION AGAINST THE USE OF HIS INVENTION WITHOUT COMPENSATION.

It has been urged, on behalf of defendant, that the protection demanded by appellant was protection against private parties and not against the Government.

This contention is wholly unwarranted by anything in the record, and is opposed to the reasonable presumptions and inherent probabilities of the situation. Thus:—

(a.) The natural presumption of notice or demand is, in the absence of any contrary indication, that it is meant for and applies to the party to whom it is given. As it was given to the immediate representative of the Secretary of the Treasury, to his direct agent, to an officer or employee appointed by him under statutory authority expressly given him by the act of July 11, 1862, above quoted, that is, to the Chief of the Bureau of Engraving and Printing, the notice was presumably intended for the Government;

(*b.*) Only the Government or its agents had knowledge of claimant's invention or register, or could obtain such knowledge;

(*c.*) No one other than defendant was using it, threatening or proposing to use it, or could have knowledge of it such as would render its use possible;

(*d.*) Defendant was proposing to use it;

(*e.*) The law gave to appellant a right to use the invention or permit its use by others for any period not exceeding two years prior to application for patent. If, however, an inventor should remain quiescent and assert no claim, or demand no protection when seeing his invention about to be adopted and used, he might thereby estop himself from subsequently asserting a claim or demanding protection; hence the necessity of making such demand, which, according to the findings herein, appellant did promptly make and make a second time;

(*f.*) The fact that appellant demanded protection before disclosing his device to the Secretary of the Treasury, and upon being promised such protection tacitly consented; and that before the registers were manufactured and used, he again demanded protection, and upon again being promised protection he "raised no further objection to the registers being manufactured and used, and tacitly acquiesced in the same," shows plainly he understood, as any rational creature must have understood, that he would be protected by defendant in its use of his invention,—that is to say, he would be duly compensated therefor; and

(*g.*) The Court of Claims finds (Finding II):

> "On the part of the claimant it was supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury."

This negatives any idea of a gift *inter vivos*, and shows claimant meant protection against the Government.

VII.

THE LAW IMPLIES COMPENSATION FOR PROPERTY TAKEN TO THE USE OF THE GOVERNMENT, JUST AS IT DOES IN THE CASE OF PROPERTY TAKEN OR USED BY AN INDIVIDUAL WITHOUT SPECIFIC AGREEMENT AS TO COMPENSATION.

From very early times there has been recognized that class of agreements known as implied contracts, which Blackstone says:

> "* * * are such as reason and justice dictate, and which therefore the law presumes that every man undertakes to perform. As, if I employ a person to do any business for me, or perform any work; the law implies that I undertook, or contracted, to pay him as much as his labor deserves. If I take up wares from a tradesman, without any agreement of price, the law concludes that I contracted to pay their real value."
>
> 2 Blackstone's Comm., 443.

And he points out that this is the method taken by the older civil law, (citing Inst. 3, 14, 2.)

We contend (1) that the acts of the parties raised the presumption of compensation asked and assented to; (2) that, if not this, then the taking and use in themselves raised the obligation to pay what the use was worth.

Under the facts here found, what would have been the natural presumption had appellant been employed by or dealing with private parties, in the absence of any agreement that his inventions should belong to or be used by such employer?

Would not his demand for protection, made before disclosure, and reiterated before tacitly assenting to use, be necessarily taken and understood as notice that he proposed to secure to himself all benefits incident to the use of his invention? No other view seems possible.

If, as this court has repeatedly held, the presumption arises or the fact is implied that compensation is expected when property is taken or used, though no compensation be mentioned, is it not incumbent upon defendant to make affirmative proof that some other intent or purpose was clearly stated or indicated?

Nothing of the kind appears or is claimed here. On the contrary, the findings herein clearly show the reiterated demand for and promise of protection to appellant. Not only this, but the opinion further shows that if this was not notice and demand, or if a demand for compensation was not made in terms, appellant was by coercion prevented from so making it. Thus, to illustrate, the opinion says:

> "It is painfully apparent that the poor mechanic, in the presence of such powerful employers, feared to speak."

It is held that the command of a superior to an inferior may amount to coercion (3 Wash. C. C., 209, 220; 12 Metc., Mass., 56; 1 Blatch. C. C., 549; 13 How., 115).

It is also held that the command of a master to his servant or a principal to his agent may amount to coercion (13 Mo., 246; *id.*, 137, 340; 3 Cush., Mass., 279; 11 Metc., Mass., 66; 5 Miss., 304; 14 Ala., 365; 22 Vt., 32; 2 Den., N. Y., 341; 14 Johns, N. Y., 119).

A party who fails to make direct demand under such coercion is no more to lose his right to compensation than is he bound to perform a contract procured under like coercion.

We have said that this court has declared that the taking and use of private property, whether a patented invention or other, imply a promise to make compensation. This will perhaps be disputed; hence we may refer briefly to cases on that point.

In the case of United States v. Burns, December term, 1870 (*12 Wall., 246*), it was held, in deciding an appeal from the

Court of Claims based upon contract for the use of a patented tent, where one defense was that the Government had a right to use a patented invention without compensation, that—

> "If an officer in the military service, not specially employed to make experiments with a view to suggest improvements, devises a new and valuable improvement in arms, tents, or any other kind of war material, he is entitled to the benefit of it and to letters patent for the improvement, from the United States, equally with any other citizen not engaged in such service; and the Government cannot, after the patent is issued, make use of the improvement any more than a private individual, without license of the inventor or making compensation to him."

This doctrine was reiterated in Cammeyer *v.* Newton, 1876 (*94 U. S., 225*). After quoting from § 22 of the patent act (now § 4884, R. S.), as to grant of exclusive right, the opinion says:

> "Agents of the public have no more right to take such private property than other individuals under that provision, as it contains no exception warranting any such invasion of the private rights of individuals. Conclusive support to that proposition is found in a recent decision of this court, in which it is held that the Government cannot, after the patent is issued, make use of the improvement, any more than a private individual, without license of the inventor or making him compensation."
>
> Citing U. S. *v.* Burns, 12 Wall., 246.

At the October term, 1882, this court had before it on appeal from the Court of Claims the case of United States *v.* McKeever (14 Ct. Cls., 396). After quoting in full the opinion and findings of the Court of Claims this court said:

> "This judgment is affirmed. No further opinion will be delivered."

This is omitted from the U. S. Reports, but will be found in 14 Brodix's Am. & Eng. Patent Cases, page 414 (437).

In that case the claimant, McKeever, was an officer of the U. S. Army (perhaps educated at the expense of the Government). He voluntarily submitted to a military board convened by the Secretary of War certain patented inventions pertaining to cartridge boxes. He demanded no compensation; named no price.

The opinion of the Court of Claims says:

> "The counsel for the defendants also insists that the action of the Government in resorting to the claimant's invention was either a tort or a user under a gratuitous license from him. We are unable to adopt either of these extreme views. When a vendible article, such as ordinarily is the subject of bargain and sale, is offered by a producer to a consumer, though with no price specified, and is accepted and used by the latter, it is not to be supposed, on the one hand, that the offer was intended as a gift *inter vivos* nor implied, on the other, that the taking was with a tortious intent. In this case the Secretary of War had convened one of those military boards for the selection of arms and ordnance before which inventors and manufacturers are accustomed to appear and present their devices or manufactures with a view to an ultimate sale. The claimant transmitted to the proper and responsible officer of the defendants, their chief of ordnance, two specimens of his invention, accompanied by a letter, in which he expressly described them as his 'patent cartridge boxes.' The chief of ordnance acknowledged their receipt, using the same term, 'your patent cartridge boxes.' He then transmitted the boxes and the letter to the board, likewise designating the claimant as the 'inventor.' The board recommended for adoption 'the cartridge box invented' by the claimant. The Secretary of War, with the advice of the General of the Army, approved the report of the board, and the Ordnance Department immediately and without further communication with the claimant, proceeded to manufacture cartridge boxes after his design. When the matter indirectly

came to his hearing, the claimant wrote to the chief of ordnance for information, saying that it was a matter of interest to him. The chief of ordnance replied in the affirmative, adding, 'but, owing to the meager appropriations made by Congress, it is not likely that the boxes will be made in any quantities for use in the field for some time to come.' The claimant replied, expressing his thanks, and the manufacture continued. If the Quartermaster General had appointed a board to select a wood lot for the fuel of the army, and a farmer had written to him recommending his wood, and the board had reported in favor of it, and the Quartermaster Department had proceeded to cut and use the wood, can it be supposed that this would be deemed a tortious taking on the part of the Quartermaster General or a gratuitous license on the part of the farmer? Yet this is a mere paraphrase of the facts in this case. The claimant had gone to the expense of turning his invention into property; it was an article salable almost exclusively to the Government; his offer imported a desire to sell to almost the only purchaser of such articles; the defendants' officers considered and acted upon his offer and adopted and used his design. If they proceeded, and he allowed them to proceed, without the formality of an express license, or the precaution of an express consideration, the omission did not change the character of the transaction, for the law supplies by implication a price in giving what the license was reasonably worth."

In James *v.* Campbell, 1881 (104 U. S., 356), this court held:

"That the Government of the United States when it grants letters patent for a new invention or discovery in the arts, confers upon the patentee an exclusive property in the patented invention which cannot be appropriated or used by the Government itself, without just compensation, any more than it can appropriate or use without compensation land which has been patented to a private purchaser, we have no doubt. * * * The United States has no

> such prerogative as that which is claimed by the sovereigns of England, by which it can reserve to itself, either expressly or by implication, a superior dominion and use in that which it grants by letters patent to those who entitle themselves to such grants. The Government of the United States, as well as the citizen, is subject to the Constitution; and when it grants a patent, the grantee is entitled to it as a matter of right, and does not receive it, as was originally supposed to be the case in England, as a matter of grace and favor."

In United States *v.* Great Falls Mfg. Co., 1884, (*112 U. S., 645,*) agents of the United States, acting under the sanction of legislative enactments, took possession of certain lands, water rights and privileges, and constructed dams, gates and conduit for supplying water to the cities of Washington and Georgetown. The United States set up no claim to the property. This court held:

> "In that view, we are of opinion that the United States, having by its agents, proceeding under the authority of an act of Congress, taken the property of the claimant for public use, are under an obligation, imposed by the Constitution, to make compensation. The law will imply a promise to make the required compensation, where property, to which the Government asserts no title, is taken, pursuant to an act of Congress, as private property to be applied for public uses. Such an implication being consistent with the constitutional duty of the Government, as well as with common justice, the claimant's cause of action is one that arises out of implied contract within the meaning of the statute, which confers jurisdiction upon the Court of Claims of actions founded 'upon any contract, express or implied, with the Government of the United States.'"

Subsequently the same controversy came again before this court in a somewhat different form,—Great Falls Mfg. Co. *v.* Garland, 1887 (*124 U. S., 581*).

In this second case, plaintiff contended that the Government had taken lands not included within the survey upon which congressional authorization and appropriations were founded, and that its acts were hence without due authority; but this court held:

> "But even if it be true that some part of the land actually occupied by the Government is not within the survey and map, still the United States are under an obligation imposed by the Constitution to make just compensation for all that has been in fact taken and is retained for the proposed dam."

And again:

> "So that if the Secretary of War, who was invested with large discretion in determining what land was actually required to accomplish in the best manner the object Congress had in view, found it necessary to take, and has taken and used, and still holds, lands of the plaintiff for the proposed dam, which happen not to be covered by the survey and map, the United States are as much bound to make just compensation therefor as if such lands had been actually embraced in that survey and map."

And further:

> "It is sufficient to say that the record discloses nothing showing that he has taken more land than was reasonably necessary for the purposes described in the act of Congress, or that he did not honestly and reasonably exercise the discretion with which he was invested; and, consequently, the Government is under a constitutional obligation to make compensation for any property or property right taken, used, and held by him for the purposes indicated in the act of Congress, whether it is embraced or described in said survey or map or not."
>
> Citing United States *v.* Manufacturing Company, *supra.*

In Hollister *v.* Benedict and Burnham Manufacturing Co., 1884, (*113 U. S., 59,*) this court reiterated the doctrine announced in James *v.* Campbell, *supra*, and said:

> "It was authoritatively declared in James *v.* Campbell, 104 U. S., 356, that the right of the patentee, under letters patent for an invention granted by the United States, was exclusive of the Government of the United States as well as of all others, and stood on the footing of all other property, the right to which was secured, as against the Government, by the constitutional guaranty which prohibits the taking of private property for public use without compensation; but doubts were expressed whether a suit could be sustained, such as the present, against public officers, or whether a suit upon an implied promise of indemnity might not be prosecuted against the United States by name in the Court of Claims. If the right of the patentee was acknowledged, and without his consent an officer of the Government, acting under legislative authority, made use of the invention in the discharge of his official duties, it would seem to be a clear case of the exercise of the right of eminent domain, upon which the law would imply a promise of compensation, an action on which would lie within the jurisdiction of the Court of Claims, such as was entertained and sanctioned in the case of U. S. *v.* Great Falls Mfg. Co. (112 U. S., 645), decided at the present term. And it may be that, even if the exclusive right of the patentee were contested, such an action might be brought in that court involving all questions relating to the validity of the patent," &c.

In United States *v.* Palmer, 1888, (128 U. S., 262,) this court reviewed a decision of the Court of Claims, based upon an implied contract arising out of use by the Government of a patented invention, and held:

> "This is not a claim for an infringement, but a claim of compensation for an authorized use,—two things totally distinct in the law; as distinct as trespass on lands is from use and occupation under a

lease. The first sentence in the original opinion of the court below strikes the key-note of the argument on this point. It is as follows: 'The claimant in this case invited the Government to adopt his patented infantry equipments, and the Government did so. It is conceded on both sides that there was no infringement of the claimant's patent, and that whatever the Government did was done with the consent of the patentee, and under his implied license.' We think that an implied contract for compensation fairly arose under the license to use, and the actual use, little or much, that ensued thereon."

The jurisdiction of the Court of Claims was upheld, and its judgment in favor of claimant was affirmed.

In United States *v.* Berdan Firearms Mfg. Co., 1894, (*156 U. S., 552,*) a judgment of the Court of Claims against the United States upon an implied contract for the use of an improvement in breech-loading firearms was sustained, although there was no act of Congress expressly directing the use of such improvement. In the opinion it was said (p. 567):

> "While the findings are not so specific and emphatic as to the assent of the Government to the terms of any contract, yet we think they are sufficient. There was certainly no denial of the patentee's rights to the invention; no assertion on the part of the Government that the patent was wrongfully issued; no claim of a right to use the invention regardless of the patent; no disregard of all claims of the patentee; and no use in spite of protest or remonstrance. Negatively, at least, the findings are clear. The Government used the invention with the consent and express permission of the owner, and it did not, while so using it, repudiate the title of such owner."

In the case of United States *v.* Lynah, 1902, (*188 U. S., 445,*) many of the foregoing cases are reviewed, and quoted to the point here under consideration, the above statement of and quotation from United States *v.* Berdan Firearms

Mfg. Co., among the rest. After such review this court, in U. S. *v.* Lynah, said:

> "The rule deducible from these cases is that when the Government appropriates property which it does not claim as its own, it does so under an implied contract that it will pay the value of the property it so appropriates. It is earnestly contended in argument that the Government had a right to appropriate this property. This may be conceded, but there is a vast difference between a proprietary, and a governmental, right. When the Government owns property, or claims to own it, it deals with it as owner and by virtue of its ownership, and if an officer of the Government takes possession of property under the claim that it belongs to the Government (when in fact it does not), that may well be considered a tortious act on his part, for there can be no implication of an intent on the part of the Government to pay for that which it claims to own. Very different from this proprietary right of the Government in respect to property which it owns is its governmental right to appropriate the property of individuals. All private property is held subject to the necessities of Government. The right of eminent domain underlies all such rights of property. The Government may take personal or real property whenever its necessities, or the exigencies of the occasion, demand. So, the contention that the Government had a paramount right to appropriate this property may be conceded, but the Constitution in the 5th amendment guarantees that when this governmental right of appropriation—this asserted paramount right—is exercised it shall be attended by compensation."
>
> * * * * * * *
>
> "Whenever in the exercise of its governmental rights it takes property the ownership of which it concedes to be in an individual, it impliedly promises to pay therefor. Such is the import of the cases cited as well as of many others."
>
> * * * * * * *
>
> "That which the officers did is admitted by the

answer to have been done by authority of the Government, and although there may have been no specific act of Congress directing the appropriation of this property of the plaintiffs, yet if that which the officers of the Government did, acting under its direction, resulted in an appropriation, it is to be treated as the act of the Government."

Citing South Carolina *v.* Georgia, 93 U. S., 4; Wisconsin *v.* Duluth, 96 U. S., 379; U. S. *v.* Great Falls Mfg. Co., 112 U. S., 645.

This entire case bristles with emphatic assertions of the obligation of the Government to pay for private property taken to its use.

> "But if any one proposition can be considered as settled by the decisions of this court it is that, although in the discharge of its duties the Government may appropriate property, it cannot do so without being liable to the obligation cast by the 5th amendment of paying just compensation."

The opinion in said Lynah case clearly distinguishes the difference between those cases where the United States had not acknowledged but denied any right of property in the claimant, (*e. g.*, Langford, 101 U. S., 341; Schillinger, 155 *id.*, 163,) and those wherein the title of claimant was admitted; and states:

> "It has likewise been held that the United States may be sued in the Court of Claims for the use of a patent for an invention, the plaintiff's right in which they have acknowledged."

And, finally, said opinion stated:

> "It does not appear that the plaintiffs took any action to stop the work done by the Government, or protested against it. Their inaction and silence amount to an acquiescence—an assent to the appropriation by the Government."

It follows that there was no meeting of the minds in the Lynah case in any other sense than there was a meeting of the minds in the present case, where, on receiving the assurance of protection, claimant, in the words of Finding II, "raised no further objection to the registers being manufactured and used, and tacitly acquiesced in the same."

VIII.

THE MERE FACT THAT CLAIMANT WAS IN GOVERNMENT EMPLOY DOES NOT ALTER THE CASE.

This court, in the case of Solomons *v.* United States (*137 U. S., 342*), expressly declared that:

> "The Government has no more power to appropriate a man's property invested in a patent than it has to take his property invested in real estate; nor does the mere fact that an inventor is, at the time of his invention, in the employ of the Government transfer to it any title to or interest therein. An employee, performing all the duties assigned to him in his department of service, may exercise his inventive faculties in any direction he chooses, with the assurance that whatever invention he may thus conceive and perfect is his individual property. There is no difference between the Government and any other employer in this respect."

Later, in the case of Gill *v.* United States (*160 U. S., 426*), this court reiterated this doctrine, saying:

> "There is no doubt whatever of the proposition laid down in Solomons' case, that the mere fact that a person is in the employ of the Government does not preclude him from making improvements in the machines with which he is connected, and obtaining patents therefor, as his individual property; and that in such case the Government would have no more right to seize upon and appropriate such property than any other proprietor would have. On the other hand, it

is equally clear that, if the patentee be employed to invent or devise such improvements, his patents obtained therefor belong to his employer, since in making such improvements, he is merely doing what he was hired to do."

IX.

INVENTING OR DEVISING SUCH A REGISTER WAS NO PART OF APPELLANT'S DUTY. HE WAS NOT ASSIGNED TO SUCH DUTY. HE DID IT WHOLLY OUT OF WORKING HOURS; AT HIS OWN HOME; AT HIS OWN EXPENSE, AND PATENTED IT AT HIS OWN EXPENSE.

On this point Finding IV herein is explicit:

> "The claimant at the time of the making of his invention before described was assistant master machinist in the Bureau of Engraving and Printing. He was never assigned to the duty of making inventions, and it was not a part of his duty to do so; and the invention before described was made within his own time and exclusively at his own cost, and was a completed invention properly and sufficiently set forth in drawings when first brought to the chief of the bureau as set forth in Finding II."

In Finding II, it is said:

> "* * * and the attorney so selected proceeded to procure the patent before set forth, the claimant, not the defendants, paying him and the costs and expenses thereof."

X.

THE FACTS FOUND BRING THE CASE CLEARLY WITHIN THE DOCTRINE OF THE CASES ABOVE NOTED. THE CASES RELIED UPON BY DEFENDANT, AND THE CASES CITED BY THE COURT BELOW, DO NOT SUSTAIN THE DECISION RENDERED HEREIN.

The cases upon which defendant relied below are the following:

McClurg *v.* Kingsland (*1 How., 202*).
Pitcher *v.* United States (*1 Ct. Cls., 7*).
Solomons *v.* United States (*137 U. S., 342*).
McAleer *v.* United States (*150 id., 424*).
Lane & Bodley Co. *v.* Locke (*150 id., 193*).
Schillinger *v.* United States (*155 id., 163*).
Keyes *v.* Eureka Mining Co. (*158 id., 150*).
Kelton *v.* United States (*32 Ct. Cls., 314*).
Gill *v.* United States (*160 U. S., 426–437*).

We shall briefly examine these cases, all of which are readily and clearly distinguishable from the case at bar.

McClurg *v.* Kingsland (*1 How., 202*) is urged as supporting the theory that the Government had a constructive license to use the invention of claimant, because it began to do so before his patent was procured.

The vital distinction is overlooked, that the law under which the patent involved in said case was granted, provided that if the thing patented "had been in public use or on sale, with the consent and allowance of the patentee before his application for a patent," judgment should be rendered for the defendant, with costs (§ 15, patent act of 1836). Coupled with this were the facts, stated in the opinion, that the inventor made the invention while in the employ of de-

fendants; experimented with it in their foundry, at first unsuccessfully, later successfully, but wholly at their expense; that his wages were increased on account of the useful result; that he used the invention for them during all the time of his employment with them, making no claim or demand, and giving no notice of any; and that he applied for patent only after leaving their employ, and after public use which was in itself a bar to any valid patent, under the law as it then stood.

Clearly McClurg *v.* Kingsland is in no sense parallel to the case at bar.

Pitcher *v.* United States (*1 Ct. Cls.*, *7*) raised, by demurrer, the question of jurisdiction, which the court found it did not have. There, the patentee, Rowe, sold his patented invention to Fox, who in turn sold it to Pitcher. Rowe, with no title to or interest in the invention, thereafter made a contract with the warden of a penitentiary to furnish and operate three of the patented machines in the penitentiary, paying 40 cents per day to each convict employed on the machines. Rowe failed to perform his contract; the machines were sold and bought in by the warden, for the use of the Government. Three more were afterward added, and all were operated, by the warden, the brooms produced being sold and the proceeds turned in to the account of the Government in running the penitentiary. Pitcher was nowhere known in the transactions, but he brought his claim and relied upon an alleged implied promise to pay for the use of the machines what such use was reasonably worth, and also for the value of the brooms made but not covered by the patent. There was no pretense that any statutory or other authority existed under which the warden could bind the Government, and the court carefully recognized that an implied promise to pay or an implied contract might be sustained in a proper case, though not on the facts of that case. It said:

> "We will not affirm that no case can arise where this principle would be sustained; but we think we are safe in saying that the doctrine of an implied contract does not arise in any case out of the acts of an agent who has no power to make an express one."

This case lends no support to defendant's contentions.

In Solomons *v.* United States (*137 U. S., 342*) the following facts, among others, were found to exist:

> "Clark" (the inventor and patentee, assignor to Solomons) "was in the employ of the Government when he made this invention. His experiments were wholly at the expense of the Government. He was consulted as to the proper stamp to be used, and it was adopted on his recommendation. He notified the Government that he would make no charge if it adopted his recommendation, and used his stamp; and for the express reason that he was in the Government employ, and had used the Government machinery in perfecting his stamp. He never pretended, personally, to make any charge against the Government."

Of course his assignee could take only subject to the equities growing out of these facts and could assert no better claim than Clark could convey. The Solomons case is, therefore, not pertinent, except for the plain recognition of appellant's right embodied in the opening paragraph of the opinion.

In McAleer *v.* United States (*150 U. S., 424*) McAleer, a Government machinist, made improvements upon machines under his charge, largely in office hours, entirely with Government tools, and with the aid of Government employees, who perfected it. He took a patent at Government expense, and assigned to the Government for one dollar and other valuable considerations acknowledged, the right to make, and use, for the full term of the patent, the improvements covered thereby. The assignment being under seal, importing a valid and valuable consideration, and being duly recorded, it was held that it gave to the Government the absolute right and could not be varied by parol.

That is not the present case.

Lane & Bodley Co. *v.* Locke (*150 U. S., 193*) merely holds, that where an invention is made by an employee after a long series of experiments carried on at the expense of the employer, and the inventor remains for many years in the service of such employer, with full knowledge that the latter is applying the invention to its manufactures, an indefeasible implied license in favor of the employer is created, which protects it against suit for infringement. In this case it appears also, that after suggesting compensation, and being rebuffed he made no further demand or request during eight or nine years that he continued with the company and silently permitted the continued use of his invention.

This presents little, if any, analogy to the case at bar.

In Schillinger *v.* United States (*155 U. S., 163*) the architect of the Capitol made a contract with one Cook for laying a pavement in the Capitol grounds. There was not in the proposal, specifications or contract, any mention in terms, of the Schillinger patent, upon which the claim rested. The contract provided that Cook should hold the United States harmless as to any claim for infringement of any patent. It also was shown that Schillinger had filed disclaimer of what defendant claimed was in fact used, to wit, paving blocks of plastic material without anything interposed between them.

As this court expressly stated of the Schillinger case it was

> "one sounding in tort * * *. It is in form one to recover damages. The petition charges a wrongful appropriation by the Government, against the protest of the claimants, and prays to recover the damages done by such wrong. The successive allegations place the parties in continued antagonism to each other, and there is no statement tending to show a coming together of minds in respect to anything. It is plainly and solely an action for an infringement," &c.

The opinion, also, points out that whether the claimants might or might not have waived the tort and sued in assumpsit, as on an implied promise, they did not do so.

Precisely the reverse is true here. The petition, by its fourth paragraph, expressly alleged that "defendant assumed, agreed, and promised to pay to the claimant the just, fair, and reasonable value of the privilege and use," &c. So to, the transaction was directly between claimant, in his own right, and the Secretary of the Treasury and his immediate agent, and within the scope and authority of a specific act of Congress. No wrongful appropriation, no tort, is alleged or argued. The parties are nowhere placed in antagonism, but there is clear evidence of a notice of right and claim to protection, made by claimant, assented to or promised by defendant, and acquiescence in the use by defendant following this promise.

In the Schillinger case, even on the facts above recited, two members of this court dissented from the judgment of the court given against claimant therein.

In Keyes *v.* Eureka Mining Co., (*158 U. S., 150,*) a bill in equity was filed twenty-nine days prior to the expiration of the patent, asking for a preliminary injunction. No motion therefor was made, however. The invention was made by claimants while in the service of defendant, and was by them put into use in defendant's plant, before applying for patent, on an agreement that no pay should be demanded while such employment continued. They took their patent and later left the employ of defendant. One of the patentees demanded pay for use thereafter, the other did not, until the filing of the bill. Defendant claimed that it had an implied license to use the invention during the year and a half that the employment lasted, and to use it after such employment, for the same royalty charged other parties. It denied the existence of anything calling for equitable relief; alleged gross laches; and contended that there was an adequate

remedy at law, in all of which contentions this court sustained defendant.

Kelton *vs.* United States, (*32 Ct. Cls., 314,*) was a case in which the adjutant general of a military division, made an invention, or, more properly speaking, a suggestion as to a cover for gun sights, and through the interposition of his commanding officer brought it to the notice of the Ordnance Department. It was worked out and perfected by or through the aid of Government officers and experts, using their time, skill and experience, and the machinery and appliances of the Government. He introduced the device into the service before applying for patent, without notice to the defendant's officers that he claimed to be the inventor of a patentable device, or that an application for patent had been filed by him. The cost of preparing working drawings and of constructing samples was borne exclusively by the Government, and there was in force at the time, as noted in the opinion, the act of March 3, 1875, (*18 Stat. L., 452–5, sec. 1,*) precluding the Department from spending money in perfecting patentable inventions in manufacture of arms, by officers of the army. Claimant was presumed to know of this when he asked that the samples be made by the Department. He sought to claim the invention somewhat broadly but was compelled, by reason of the prior art, to take a claim restricted to a peculiar fastening device, used only in the two samples, and in fact contrived by the Department employees, not by himself. The covers as used in the service had a different fastening, not within his patent claim.

The court suggested, in the Kelton case, that it would be unjust that, as adjutant general, the claimant should determine what covers, and how many of them, should be used, and, at the same time, be the beneficiary of such use.

It is not surprising that upon these facts the decision of the Court of Claims was adverse.

Mr. Harley had nothing whatever to do or say as to

whether or not his device should be used, or to what extent.

In Gill *v.* United States, (*160 U. S., 426–437,*) the opinion of the court was announced by Mr. Justice Brown, who first made a statement of facts, wherein it was said, *inter alia:*

> "The Government made a general denial of the allegations of the petition, and submitted the case to the Court of Claims, which made a finding of facts, * * * and entered a judgment dismissing the claim upon the ground that, where an employee of the Government takes advantage of his connection with it to introduce an *unpatented* device into the public service, *giving no intimation at the time that he regards it as property, or that he intends to protect it by letters patent,* but allows the Government to test the invention at its own exclusive cost and risk by constructing machinery and bringing it into practical use before he applies for a patent, the law will not imply a contract; and that a contract will not be implied, in favor of an employee who has thus placed a patented device in the public service, as to machines constructed and used after his patent has been obtained." (Italics ours.)

Before reviewing the opinion in detail, or the authorities cited in its support, it is well to note precisely what the question was that was presented to this court for determination. This is made clear by the opening of the opinion, where the court says:

> "This case raises the question, which has been several times presented to this court, whether an employee paid by salary or wages, who devises an improved *method of doing his work,* using the property or labor of his employer *to put his invention into practical form,* and assenting to the use of such improvements by his employer, may, by taking out a patent upon such invention, recover a royalty or other compensation for such use. In a series of cases, to which fuller reference will be made hereafter, we have held that this could not be done.

> "*The principle is really an application or outgrowth of the law of estoppel in pais, by which a person looking on and assenting to that which he has power to prevent is held to be precluded ever afterwards from maintaining an action for damages.*" (Italics ours.)

Right here it is well to repeat that, in the case at bar, the Court of Claims has found that, both before consenting to go to the Secretary to explain his invention, and before consenting to its application and use by the Government, Harley did protest and demand that he be first protected by patent, and assented to use only when promised such protection and when steps had been taken by the chief of the bureau to insure such protection. Here is a complete answer to any suggestion of estoppel *in pais*. Harley did precisely what he was legally required to do to guard against such estoppel.

But such being the question in the Gill case, this court naturally took up cases involving such estoppel. It accordingly cited, first, Pennock *v.* Dialogue, (*2 Pet.*, 1, 16,) a patent case, to the effect that:

> "This inchoate right, thus once gone, cannot afterwards be resumed at his pleasure, for where gifts are once made to the public in this way, they become absolute."

But Pennock *v.* Dialogue was controlled by and decided under the patent act of 1793, section 1 of which required the inventor to allege that his invention was "*not known or used before the application.*" Many patents were defeated on this ground, and it was to dedication to the public through use prior to application for patent, that the quoted language referred. The entire opinion relates to and rests upon this limitation or proviso.

But the law has from 1839 to the present time permitted an inventor to use his invention publicly for any period not

exceeding two years, prior to application for patent, without losing any rights.

Precisely the same point was decided, and in the same way, in Shaw *v.* Cooper, (*7 Peters, 292, 323,*) next cited in the Gill case, and still with reference to estoppel.

McClurg *v.* Kingsland, (*1 How., 202,*) arose under the same law of 1793, where the public use occurred with the knowledge and consent of the inventor, prior to the filing of his application for patent, and as before pointed out, the invention was experimented with and perfected in the foundry, with the materials, in the time, and at the expense of the defendant, with the aid of his workmen, and without suggestion, at the time, of any claim for compensation. This case was cited to illustrate estoppel.

In the case of Solomons *v.* United States, (*137 U. S., 342,*) next cited in the opinion in the Gill case, the inventor and subsequent patentee had been particularly assigned to the work of devising the stamp in question; and, further, it was shown that "before the final adoption of the stamp, he said that the design was his own, but he should make no charge to the Government therefor," &c.

In Lane & Bodley Co. *v.* Locke, (*150 U. S., 193,*) next cited in the opinion in the Gill case, it appears that a long series of experiments was carried on in the employer's factory, with his tools and materials, running through 1871 and 1872, at which latter date the invention was produced. In 1874 Locke, the inventor, left the employ of Lane & Bodley, having meanwhile witnessed their adoption and use of the invention in their business, without protest or demand. On May 27, 1874, Locke applied for patent, which issued February 15, 1876, Lane & Bodley apparently having no knowledge of the application prior to that time. Referring to this case, in the opinion in the Gill case, this court said:

> "It was held that the patentee having made no claim for remuneration for the use of the patent, saying that he did not desire to disturb his friendly re-

lations with the firm, might be presumed to have recognized an obligation to permit them to use the invention."

McAleer *v.* United States, (*150 U. S., 424,*) next cited in the opinion in the Gill case, was based upon an express license, which the court of course held could not be varied by parol.

Keyes *v.* Mining Company, (*158 U. S., 150,*) next cited in the opinion in the Gill case, held that there was an implied license arising out of the use of the improvement without payment of royalties during the continuance of the inventor's employment by defendant (they having so agreed with the employer), and also a license to use it thereafter on the same terms and royalties fixed by the patentees for other parties. The bill was filed twenty-nine days before the termination of the patent; asked an injunction, and was dismissed because of gross laches, and because there was an adequate remedy at law.

Throughout the opinion in the Gill case, reference is made to the fact that use was made of the property and labor of the Government in preparing working drawings and patterns, and in constructing his machines.

In the case at bar, the fact, in this regard, is (finding IV):

> "* * * and the invention before described was made within his own time and exclusively at his own cost, and was a completed invention properly and sufficiently set forth in drawings when first brought to the chief of the Bureau as set forth in Finding II."

In the Gill case, this court further said, on this point:

> "In this connection, too, it should be borne in mind that the fact, upon which so much stress has been laid by both sides, that the patentee made use of the property and labor of the Government in putting his conceptions into practical shape, is important only as furnishing an item of evidence tending to show that the patentee consented to and encouraged the Government in making use of his

devices. *The ultimate fact to be proved is the estoppel*, arising from the consent given by the patentee to the use of his inventions by the Government, without demand for compensation." (Italics ours.)

In the Gill case, there was no pretense that the Government was given to understand that the invention was or would be claimed as the property of the inventor; whereas Harley did give and repeat such notice. Gill gave no notice that a patent would be sought; Harley did give the notice, and the officers of the Government kept their promise to him to the extent of calling in an attorney for him.

Gill did not bring the matter to the notice of a proper officer of the Government; Harley did.

After showing estoppel in the Gill case and citing the above-mentioned cases in illustration, this court, in the opinion in the Gill case, then reaffirmed what it said in the Solomons cases, and hereinbefore noted, that the mere fact of employment in Government service does not preclude a person from making improvements in machines with which he is connected, and obtaining patents therefor, as his individual property; and that in such case the Government would have no more right to seize upon and appropriate such property than any other proprietor would have.

So far from establishing or announcing any rule or doctrine which would bar claimant's demand, we submit that the Gill case fully supports and sustains it. The Gill case rests solely upon estoppel *in pais;* whereas Harley gave the very notice and demanded the very protection necessary to prevent estoppel, and at the precise time when he was required to speak.

In Russell *v.* United States, (*182 U. S., 516,*) this court reiterated the doctrine of United States *v.* Palmer, and McKeever *v.* United States, and distinguished them from Schillinger *v.* United States and Berdan *v.* United States, on

the points here contended for. The Russell case was held o be one sounding in tort.

The case of Lynah *v.* United States, (*188 U. S., 455,*) hereinbefore referred to and quoted from, is believed to be the latest expression, and to contain the fullest examination and discussion of the subject, by this honorable court, and is relied upon as full and authoritative exposition of the law on this subject in its latest aspects.

As Gill was master machinist, it seems probable that he determined what machines should be used, hence the observation of the court in the Kelton case would be applicable,—he should not determine this question and profit by such determination.

Harley's case most nearly resembles that of McKeever, *supra*, and should be decided in the same way.

We submit that upon the facts found by the Court of Claims, and under the principles enunciated by this court in the long and unbroken line of cases noted, the decision of the Court of Claims should be reversed, and the cause remanded to the court below with directions to find the reasonable value of the use by the United States of the patented invention of appellant, and to enter judgment therefor in favor of appellant.

Respectfully submitted,

A. A. Hoehling, Jr.,
William W. Dodge,
Attorneys for Appellant.

Washington, D. C., *March* 3, 1905.

FILE COPY

FILED
MAR 17 1905
JAMES H. McKENNEY,
Clerk.

In the Supreme Court of the United States.

OCTOBER TERM, 1904.

JOSEPH L. HARLEY
v.
THE UNITED STATES. } No. 195.

APPEAL FROM THE COURT OF CLAIMS.

BRIEF FOR THE UNITED STATES.

CHARLES C. MCKENNEY,
Special Attorney.

L. A. PRADT,
Assistant Attorney-General.

In the Supreme Court of the United States.

OCTOBER TERM, 1904.

JOSEPH L. HARLEY
v.
THE UNITED STATES. } No. 195.

APPEAL FROM THE COURT OF CLAIMS.

BRIEF FOR THE UNITED STATES.

STATEMENT OF THE CASE.

In November, 1869, the Secretary of the Treasury gave orders that certain valuable securities should not be printed in the Bureau of Engraving and Printing until the presses should be fitted with reliable registers, to register the number of impressions made. The appellant was then assistant master machinist in the Bureau, but it was not a part of his duty to make inventions. Within his own time and at his own cost he made complete drawings of a register, and brought them to the Chief of the Bureau, who was then endeavoring to devise or procure a trustworthy form of register, as desired by the Secretary. The Chief of the Bureau ordered a register to be immediately made according to the appellant's drawings, the former

knowing that the device as shown in the drawings was the appellant's own invention. (Rec., 9–11.)

The register having been made at the Government's expense, and having been found satisfactory upon trial, the Chief of the Bureau proposed to take the appellant to the Secretary of the Treasury to explain the register to him. The appellant objected, and stated that he wished to obtain a patent for his individual protection, before exhibiting his device, and the Chief of the Bureau replied, "Certainly; I will see that you are protected." The appellant, then tacitly consenting, was taken before the Secretary, and explained to him the operation of the register, the Secretary being informed that it was the appellant's invention. The Secretary approved the design of the register, and directed that such registers should be made and attached to the presses in the Bureau. (Rec., 11.)

Before the registers so ordered were manufactured, the appellant stated that he wished first to secure a patent, and the Chief of the Bureau introduced him to a patent attorney, who prepared an application on which a patent was granted to the appellant on March 1, 1870, for the register as devised by him. The attorney having informed the appellant at the start that the manufacture and use of registers in the Bureau would not interfere with his procuring a patent, the latter made no further objection, and the registers were manufactured and used on all the plate-printing presses at the Bureau. (Rec., 11.)

On the part of the appellant it was supposed and understood that he would be entitled to compensa-

tion for the use of his invention, and that it would be allowed and paid by the Secretary of the Treasury; but on the part of the Secretary and the Chief of the Bureau it was supposed and understood that the appellant, being an employee of the Bureau, would neither expect nor demand remuneration. The appellant never gave notice to the Secretary of the Treasury or the Chief of the Bureau that he would demand royalty or remuneration for the use of his invention until July 24, 1884, when this suit was brought, although a large number of registers of the appellant's invention were continuously in use at the Bureau throughout this entire period. (Rec., 11.)

On December 21, 1903, the Court of Claims entered a judgment dismissing the petition, whereupon this appeal was taken. (Rec., 14.)

BRIEF OF ARGUMENT.

The appeal in this case raises a single question, viz, whether a contract to pay royalty can be implied. The findings state that the appellant objected to having the Government make and use his invention before it was patented, but that after the patent attorney explained that such manufacture and use would not prevent his obtaining a patent he "raised no further objection to the registers being manufactured and used, and tacitly acquiesced in the same." (Rec., 10.) They also state that—

> There was no agreement or understanding between the parties in regard to royalty or the payment of remuneration for the use of the

> claimant's invention in the Government's printing and engraving other than such as may be inferred from the preceding conversations. On the part of the claimant it was supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury. But on the part of the Secretary and Chief of the Bureau it was supposed and understood that the claimant, being an employee of the Treasury Department, would neither expect nor demand remuneration. (Rec., 10.)

It is impossible to imply from these facts a contract to pay royalty, whether the belief of the Government's officers was justified or not. If it was justified, then such a contract was out of the question; but in any event their belief existed and can not be disregarded, so that even if they were not justified in holding it, the manufacture and use of the registers would be merely an infringement (unintentional indeed, but none the less actual), and there would still be no ground for implying a contract to pay royalty.

The Secretary of the Treasury was the only Government officer who could have made an express contract for the right to make and use the registers, and he neither did nor said anything from which a contract can be implied.

No contract on the part of the Government can be implied unless the officer concerned had authority to make an express contract. (*Pitcher* v. *United States*, 1 C. Cls. R., 7.) In the present case the only officer who

had received such authority was the Secretary of the Treasury, to whom it had been expressly given, as follows:

> That the Secretary of the Treasury be, and is hereby, authorized, in case he shall think it inexpedient to procure said notes, or any part thereof, to be engraved and printed by contract, to cause the said notes, or any part thereof, to be engraved, printed, and executed in such form as he shall prescribe, at the Treasury Department in Washington, and under his direction; and he is hereby empowered to purchase and provide all the machinery and materials, and to employ such persons and appoint such officers as may be necessary for this purpose. (Act of July 11, 1862, sec. 2; 12 Stats., 532.[a])

In order to establish a contract, therefore, the appellant must show transactions with the Secretary of the Treasury from which a contract should be implied, and the acts of the Chief of the Bureau are only of importance as those of the natural intermediary between the Secretary and a man in the appellant's position. The Government cannot be responsible for anything said or done by the Chief of the Bureau, or for his knowledge of anything said or done by the claimant, unless the Secretary be fairly chargeable with such knowledge of the Chief of the Bureau, or with the things said or done by him.

---

[a] This section was substantially reenacted as section 3577 of the Revised Statutes; but as that was subsequent to the adoption of the appellant's device, the original section is referred to.

In appellant's brief (p. 6) it seems to be contended that because the Secretary of the Treasury had power "to employ such persons and appoint such officers as may be necessary" for the purpose of engraving and printing under the act of 1862, and had appointed the Chief of the Bureau accordingly, therefore the Secretary must be held to have contracted through the Chief in the present case. It is submitted that the premises do not warrant the conclusion contended for. That the Secretary could have authorized the Chief to contract for the use of the register may be true, but no such authority was given in the present case, and it is manifest that the mere general authority of the Chief to superintend the affairs of the Bureau can not extend to the making of contracts for the payment of royalties on patented inventions. The existence of any such general power in a mere head of a bureau, to be exercised solely as he might see fit, would be utterly at variance with our long established system of departmental administration. Contracts are made by or under the express direction of the heads of Departments, saving only when immediate delivery or performance is required by the public exigency, and there is no time to follow the regular course.

Moreover, the right to manufacture and use a patented type of register manifestly comes within the general designation of "supplies or services," and hence within the provisions of the act of March 2, 1861, section 10 (12 Stats., 220), now section 3709 of the Revised Statutes, reading as follows:

> All purchases and contracts for supplies or services in any of the Departments of the Government, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require the immediate delivery of the articles or performance of the service. When immediate delivery or performance is required by the public exigency, the articles or service required may be procured by open purchase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals.

It does not appear that any public exigency existed to prevent the Secretary of the Treasury from advertising for proposals for registers, or for the right to make and use them, in the regular way required by that section; and as the Secretary can not be conclusively presumed to have intended to violate the law, the fact that he never advertised for such proposals is conclusive evidence that he never had any idea of buying the right to use this register at all, but honestly believed that the appellant had simply put his device at the service of the Government, as a diligent and faithful public servant might well be expected to do. Grant, for the sake of the argument, that this belief was not justified, and even then the appellant is merely driven to the other horn of the dilemma, viz, that the Secretary used, without a contract, and without any intention to make a contract, property which he ought to have contracted for, or in other words that, through

heedlessness, he infringed the appellant's patent. Such a course might have been reprehensible on the Secretary's part, but it would give the claimant no standing in the Court of Claims.

Even if it could possibly be held that section 10 of the act of 1861 did not apply to a contract for the right to manufacture and use a patented device, the facts of the case, it is submitted, amply justified the Secretary of the Treasury (Secretary Boutwell, who so recently passed away, full of years and of honors) and the other officers of the Government in their belief that no royalty was to be paid. These facts are four, viz, that the appellant was in their employ, that he made the invention after they had announced that they wished a register, that all the registers were made under his supervision, and that from early in 1870, when the appellant first showed his drawings to the Chief of the Bureau, until the filing of the petition on July 24, 1884, a period of fourteen years and a half, the former never made the slightest suggestion that he wished or expected any royalty to be paid him.[a]

It is not contended that the mere fact that the appellant made no demand for royalty at the very first estops him from claiming it at any time thereafter. Doubt-

[a] The opinion says (Rec. 12, foot of page): "The work of introducing his device into the press room went on for seventy-three months, and until the Bureau had attached and used registers of his device amounting to an aggregate of 14,432. Then the claimant spoke." This is at variance with the facts shown in the findings, the learned Chief Justice having overlooked the fact that the seventy-three (properly seventy-two) months, during which the registers sued for were used, were merely the six years immediately preceding the bringing of the suit, and that the registers had already been used for about eight and a half years before that period began. The claimant did not "speak" until fourteen years and a half

less the appellant was entitled to a reasonable time within which to choose whether he would assert, as against the Government, his rights as patentee, and force it either to make a contract with him or use some other register, or whether he would assert those rights only against outside parties, and would give the Government the benefit of an invention which he had undoubtedly made *in consequence of* his position in the Bureau, and thus win the esteem and regard due to every faithful public servant who cares more for the good of the service than for the precise number of dollars which are paid him for his work. Such reasonable time was, however, long past before the appellant made his first demand, his silence having lasted until nearly fourteen years and a half after the patent issued, and until all possibility of claim for use of the registers during a period of nearly eight years and a half had been barred by the statute of limitations, even if such a claim had been at one time possible. Surely, as regards that daily use of registers which is covered by this suit, it may be stated with confidence that notice of an intention to claim royalty comes too late.

Again, it would conceivably have been another question had the appellant at any time simply given

(not seventy-three months) had elapsed. The number 14,432 is many times greater than the whole number of registers manufactured and used. The claim is not for the number manufactured and used, but for the number used on each working day.

Moreover if "the work of introducing his device" means the work of equipping all the presses with registers, the statement that this "went on for seventy-three months" is unwarranted by the findings and contrary to the fact. It did not take very long to make registers for all the presses, and after that was done new registers were required only to take the place of any that broke down, or for any new presses that may have been added.

notice that he would thereafter claim royalty, and had ultimately proceeded to sue for such after-accruing royalty, but he has done nothing of the sort. At the time he gave notice, his patent had a little over two and a half years left to run, and the suit is exclusively for the use of registers used *before* the notice was given, so that a marked peculiarity of the present case is that the appellant has not merely sued for the use of registers made in the belief that no royalty would be claimed, but that the very use sued for was a use which actually took place in consequence of that belief, and before the appellant took any steps to shake that belief.

It is submitted that in such a case only the very clearest evidence of facts which ought to have prevented a reasonable man from entertaining the belief which the Government's officers are proved to have held, would warrant the court in holding that such belief was not justified.

The appellant never notified the Government's officers of any intention to claim royalty.

The leading authority in regard to the duty of notice in cases like the present is *Gill* v. *United States* (160 U. S., 426). The court below points out some of the resemblances between that case and the present one, but further says:

> In the *Gill* case it was said that the device when brought to the attention of the officers was simply "the committal of a thought to

> paper," and that its complicated parts were such that no one could say the device was valuable or that it would not require years of modifying and perfecting to make its value apparent, and that the Government bore the expense of bringing the invention to the test of practical operation. In this case the device was exceedingly simple; it was perfectly evident that it would be operative; the cost to the Government of making a register was too trivial, both in time and money, to form a consideration, and was done voluntarily by the superintendent and not at the solicitation of the claimant. (Rec., 12.)

It is submitted that a careful comparison of the two cases will show that few, if any, of the distinctions to which the court below alluded really exist. The statements that Gill's inventions, when brought to the attention of the Government's officers, were merely "the committal of a thought to paper," and that "the complicated parts were such that no one could say the device was valuable or that it would not require years of modifying and perfecting to make its value apparent," are not found in the opinion of this court in the *Gill* case, but only in that of the court below, and the former opinion does not indicate that this court had any such ideas as regards any of the inventions involved in that case. Moreover, the decision of this court in *Gill* v. *United States* was not confined to cases of inventions which could only be constructed at considerable cost. Gill had not brought suit for the use of a single invention, but for the use of six different in-

ventions, one of which (the priming tool, covered by patent No. 257,860) evidently cost less to construct than one of the registers in the present case, while another (the cartridge anvil, covered by patent No. 220,472) is for a little piece of metal about one-sixth of an inch in diameter, and one-twelfth of an inch thick, the cost being very trifling. The opinion of this court, delivered by Mr. Justice Brown, gives due weight to the fact that in each instance the cost of preparing the patterns and working drawings, and of making the first of the devices which were made, was borne by the Government, although the inventive act had been completed before these patterns, working drawings, etc., had been made; but the opinion applies the same rule to all six inventions, whether the devices were relatively elaborate and expensive, or simple and of small cost. It appears from the *Gill* case, therefore, that this court holds that if an inventor, after having made a drawing of his invention, uses the property of his employer in embodying that invention in an operative device, that fact should be taken into account, whether the device cost much or little to construct; and hence the fact in the present case, that the first register which was made, was made entirely at the Government's expense, including the cost of whatever patterns and working drawings were necessary, deserves to be taken into account in determining the circumstances under which the use of these registers by the Government began.

Certainly the findings of fact present a closer resemblance to the facts in *Gill* v. *United States* than appears

from the opinion of the court below. The opinion says that the appellant, unlike Gill, did not offer his invention to the Government officers, and that the Chief of the Bureau took the appellant, "manifestly reluctant to go," before the Secretary of the Treasury with his invention. (Rec., 12.) The findings say, however, that "the claimant *brought* to him [the Chief of the Bureau] the drawings of a device which he had invented" (Rec., 10), and they do not contain a single word to show any reluctance on appellant's part to exhibit his device to the Secretary. His only objection was that he wished nothing done which would hinder his taking out a patent, and, being told that he would not be interfered with in that respect, he made no further objection. It appears from these findings that appellant was quite as ready to have the Government adopt and use his device as Gill had been in his case, saving only that the appellant insisted from the first that he must be secure in his right to take out a patent. There is absolutely nothing in the findings to warrant the inference that the appellant was "manifestly reluctant" to go before the Secretary, but on the contrary the findings indicate perfect readiness on the appellant's part to show his device to the Secretary, provided only this would not interfere with his taking out a patent.

In the *Gill* case Mr. Justice Brown stated the doctrine as to the necessity of notice as follows:

> Clearly, a patentee has no right, either in law or morals, to persuade or encourage officers of

> the Government to adopt his inventions, and look on while they are being made use of, year after year, without objection or claim for compensation, and then set up a large demand, upon the ground that the Government had impliedly promised to pay for their use. A patentee is bound to deal fairly with the Government, and if he has a claim against it, to make such claim known openly and frankly, and not endeavor silently to raise up a demand in his favor by entrapping its officers to make use of his inventions. (*Gill* v. *United States*, 160 U. S., 426, 437.)

In the present case the findings show that the appellant was explicit on one point, viz, that he did not wish anything to interfere with his taking out a patent, but that as soon as he understood that the Government's manufacture and use of the registers would not interfere with his taking out a patent he withdrew all objection. The fact that he raised and withdrew this objection certainly indicates that he had no other objection to make. If he objected to the Bureau's use of his device without payment of royalty, it was his duty to say so. He said at the first, "I wish to obtain a patent for this machine for my individual protection." Why did he not add, "Although you may not be in the habit of paying royalty for the right to use the patented inventions of your employees as long as they remain such, I shall claim royalty for this register. How much will you pay me?" Why did he not ask Secretary Boutwell, "How much will the Government pay me for the right to use these

registers?" Why was he not outspoken when he knew that the Bureau wished to adopt the register for all the presses? Why did he remain silent for over fourteen years? These questions do not admit of any answer that is very creditable to the appellant's intelligence, in view of the finding that he "supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury." (Rec., 10.)

This finding only reveals an opinion on the appellant's part which there was absolutely nothing to justify, and which a reasonable man would never have entertained. How could the Secretary allow and pay compensation until some amount had been agreed upon, and how could it be certain that an agreement would be reached when the Secretary had never had the least notice that compensation would be demanded? For all that the appellant knew, a demand for compensation by him would simply have led to the disuse of these registers and the use of others on more reasonable terms. How could he be justified in assuming that his register would have been adopted at all, except on a basis of free license, as long as the Secretary was not informed of the precise amount which was to be paid for its use?

On pages 10 and 11 of their brief, appellant's counsel dwell upon the fact that a patent is "notice to all the world," and the inference suggested is that the mere taking out of the appellant's patent was notice to the Government's officers that they could not use the invention without involving the Government in a

liability for royalty. If this inference be true here, it must have been equally true in the *Gill* case; but this court held that no such inference could exist in that case, and as far as notice is concerned the two cases are absolutely alike, since in neither was any notice whatever given that any royalty would be claimed.

The appellant was perfectly free to give notice of an intention to claim royalty from the Government, had he seen fit to do so.

The findings do not suggest that there was the slighest duress put upon the appellant to require him to allow his registers to be used or to refrain from demanding royalty, and nothing of the sort can be presumed. Overlooking, it would seem, this state of the findings, the opinion of the court below says: "It is painfully apparent that the poor mechanic, in the presence of such powerful employers, feared to speak." (Rec., 12.) In view of what the findings show, this seemingly inadvertent statement of the learned chief justice might have been passed over in silence, but that appellant's counsel have dwelt upon it (brief, p. 14) as if it were not only a fact,[a] but also a sufficient excuse for the appellant's utter failure to notify any of the defendant's officers of his intention to claim royalty, which is going a great deal farther than even the opinion warrants.

[a] Under these circumstances it may be permitted to the counsel for the Government to state that the appellant gave his own testimony as to his perfectly cordial and unconstrained relations with his superiors, and that the court was requested to make a finding on this point, but did not see fit to do so.

In this connection the brief states that the command of a superior to an inferior, that of a master to a servant or of a principal to his agent, may amount to coercion. This may be true, but it is beside the mark, as the findings do not suggest that the appellant ever received any command whatever in regard to this matter of the registers. Moreover the authorities referred to (by volume and page only, not by the titles of the cases) in support of the proposition, in so far as they can be identified by the references,[a] do not support it at all, but one entirely different, viz, that one who commits an offense can not avoid criminal liability therefor by alleging that he acted under the command of another, which is good law, but has nothing to do with the case.

Coercion being out of the question, therefore, it must be conclusively presumed that if the Chief of the Bureau had been notified of a demand for royalty, he would at once have either discontinued the use of the registers or else have made some reasonable agreement for their future use, but the appellant never gave him any opportunity to do either.

The belief of the Government's officers that no royalty would be demanded was amply justified during the whole period of fourteen years and a half before this suit was brought.

The time between the day the appellant first showed his drawings to the Chief of the Bureau and the day

[a] The references to 5 Miss., 304; 14 Ala., 365; and 2 Den. (N. Y.), 341, are evidently erroneous, the cases on those pages having no possible bearing on the effect of a command.

when the former first gave notice (by bringing suit) of an intention to claim royalty, may be divided into three periods, viz: The period before the patent was issued, the subsequent period during which the same Chief of the Bureau remained in office, and the final period when his successors were in office.

As to the construction that a reasonable man in the Chief of the Bureau's place would have put upon what the appellant said and did prior to the issuance of the patent, it must be observed that appellant did not make any direct statement of any intention to demand compensation from the Government, that taking out the patent obviated at once any question as to his right to a patent (a right which delay might, under the circumstances, have clouded), and that there were many outside concerns who might use the device.

The first point has been already sufficiently considered, but the others call for some attention in connection with the appellant's reason for taking out a patent. If the device were one which the Government alone could use, there might be some ground for contending that the mere taking out of a patent was notice of an intention to claim royalty, but in the present case no such contention can be made. The court below has not seen fit to make any findings (though requested so to do) as to the availability of the appellant's device for work done by private concerns, but it is manifest that it is available for registering the number of impressions printed of every kind of paper which expresses value, such as certifi-

cates of stock, corporation bonds, postage stamps, railroad tickets, etc., and it is a matter of common knowledge, a matter of which the court will take judicial notice, that the number of such valuable papers printed was very great at the time the appellant's register was patented, and has continued to increase in volume ever since, including not merely papers for use in the United States, but similar papers and also bank and treasury notes for use in foreign countries. It was therefore evident from the start that the appellant's register was capable of a very extensive use, amply sufficient to justify his taking out a patent, even if he received nothing from the Government.

Seeing then that it was desirable for the appellant to take out a patent, without regard to the use of his device by the Government, it was obviously desirable for him to do so at once. Besides the chance of some one else entering the field, the circumstances under which he had made the device called for prompt action. The Chief of the Bureau had already begun the attempt to devise a satisfactory register; appellant was a machinist in the Bureau's employ, and unless he acted promptly he might have trouble in proving that he had made his invention in his own time and at his own cost; and lastly, the Bureau had borne the cost of first embodying the invention in the form of an operative machine. Under these circumstances, had the appellant delayed to assert his right to a patent, suspicion might have been cast upon it, and it might have been less readily admitted than if asserted at the start.

Hence it was the most natural thing in the world for him to tell the Chief of the Bureau that his (appellant's) acquiescence in the free use of these machines in the Bureau was not to be taken as any admission on his part that he was not the sole inventor and entitled to a patent. Certainly that was what the Chief of the Bureau understood him as saying, and he was wholly justified in so understanding him.

Appellant's counsel contend, however (Brief, pp. 11–12), that the idea that the appellant wished to protect his rights as against outside parties "is opposed to the reasonable presumptions and inherent probabilities of the situation." What has been said above fully answers this contention. It is true that a notice is presumed to apply to the party to whom it is given, but the scope of the application must depend upon the nature of the notice itself. In the present case the appellant simply notified the Chief of the Bureau that he intended to take out a patent, but he withdrew all objection to the use of his registers in the Bureau, as soon as he found that such use would not interfere with his obtaining a patent; and as he never even hinted that he would assert his patent rights as against the use of the registers in the Bureau, the notice could only be understood as meaning that although the appellant permitted the Bureau to make free use of his invention, he had no idea of abandoning it to the public in general.

The statements in the paragraphs marked (*b*), (*c*), and (*d*), on page 12 of the appellant's brief, seem to involve

the contention that the Government's use of the register would be a secret use, of which the outside public would have no knowledge, so that the appellant had no need to protect himself against the public by a patent. This contention is not warranted by the findings, and is opposed to what is matter of common knowledge, viz, that all the Departments, and especially the Bureau of Engraving and Printing, can be visited by the public, and all the machinery used therein can be freely inspected. If an inventor wished to publish his invention to the world with the minimum of trouble to himself, he could not do better than to permit its use by the Bureau of Engraving and Printing.

It is true that a public use of an invention for a period not exceeding two years does not impair the right to a patent (see paragraph marked "*c*"), but, as stated above, the peculiar circumstances under which this particular invention was made rendered it desirable that the inventor should lose no time in making it clear to the world that he was the sole inventor, and thereby avoid trouble in the future.

Appellant's counsel contend (see paragraph marked "*f*") that his consent to the use of the registers, as soon as he was promised the protection of a patent, shows plainly that he understood, "as any rational creature must have understood," that he would be duly compensated for the Government's use of his invention. This conclusion is wholly unwarranted. The appellant asked for no compensation, but merely that his right to a patent should not be interfered with. He obtained

the desired promise that there would be no interference, but he obtained nothing more. If he wished to make use of his patent rights as against the Government, which was beginning to use the registers even before it was certain that he could get a patent at all, it was necessary for him to give explicit notice and not to mislead the Government into an expenditure of a considerable sum in the manufacture of registers which it would not be able to use at all unless it made some satisfactory arrangement with him.

It is true that the finding as to what the appellant supposed and understood (see paragraph marked "*g*," brief, p. 12) negatives any idea, on the appellant's part, of a gift *inter vivos;* but it takes two parties to make a contract, and the further finding as to the totally different understanding of the Government's officers makes it impossible that the parties should have agreed, or could legally be held to have agreed, that any royalty should be paid.

It is clear, therefore, that the appellant's act in taking out a patent was merely evidence that he claimed a property right in his invention and wished to put himself in a position to sell that right to outside parties who might wish to buy it; but this act was not equivalent to notice of an intention to assert that right as against his own employer, the Bureau of Engraving and Printing. Hence in the absence of any such notice it was reasonable for the Secretary and the Chief of the Bureau to suppose and understand that the appellant, being an employee of the Bureau, would

neither expect nor demand remuneration for the use of his device.

Coming to the second period, the six years during which the Chief of the Bureau remained in office after the patent was granted, appellant's continued silence constitutes strong evidence against him. Assuming that he meant the Chief of the Bureau to understand that he wished to be paid a royalty, he would naturally have expected from day to day some action on the latter's part, some discussion of terms, some investigation as to the actual worth of the device, some agreement, and, above all, some regular payment of money. Yet days, weeks, months, and years passed by and appellant never asked the Chief of the Bureau about the expected royalty.

The rule as to the course of action of a reasonable man is the same for both parties. When appellant, after a few weeks or months at most, heard nothing from the Chief of the Bureau about terms of royalty, the former, as a reasonable man, must have reflected that the latter must have got an erroneous impression about the conditions under which the device was to be used, and it then became appellant's duty to correct that wrong impression and to set the Chief right. This the appellant utterly failed to do, thereby confirming, in the most effectual way, the Chief's impression, and justifying it, if it was not justified already. If, at the time the patent was issued, there was any reason for a doubt in the Chief of the Bureau's mind as to appellant's intention to give the

Government a free license, there was no such reason after appellant's long-continued silence. That that silence meant acquiescence in the use of the device by the Government without royalty would, in the mind of any reasonable man, admit of no doubt whatever.

The final period began in February, 1876, when the then Chief of the Bureau resigned, and ended on July 23, 1884, when this suit was brought. The court below has not seen fit to make any finding as to changes in the position of Chief of the Bureau (though requested so to do), but such changes are matters of public notoriety, shown by the published official registers, and it is submitted that the court will take judicial notice of them. (See *York and Maryland R. R. Co.* v. *Winans*, 17 How., 30, 41.) In this case, therefore, judicial notice should be taken of the fact that in February, 1876, a new Chief of the Bureau took office. He had never even promised that appellant's rights should be "protected" by a patent, whatever that may have meant. Granting, for the sake of the argument, that the old Chief of the Bureau needed no further intimation of appellant's intention to claim a royalty, the new superintendent certainly needed to be told something. All that he could see was that appellant's patented register was in use, and that no royalties were paid, a fact most reasonably accounted for by the supposition that as long as the inventor remained in the Government service he claimed no royalty. In this state of affairs appellant remained

as silent as before, and this in spite of the important fact that March 1, 1876, about the time when the new superintendent came in, was just six years after the issuance of appellant's patent. If he had a valid right of suit against the Government, he could lose nothing by delay during those six years except the interest on his judgment. No part of his claim was barred. After the six years expired, conditions changed, and every day of waiting meant the loss of the claim for a day's use of the registers six years before. Reasonable men are not in the habit of foregoing their claims in that manner, and hence appellant's continued silence and inaction was a daily argument against the supposition that he had not consented to allow the Government the free use of his device. Yet this silence and inaction lasted for more than eight years longer.

Under all these circumstances, it is submitted, it was surely reasonable for the successive Chiefs of the Bureau to understand that the United States was to pay no royalty.

What an implied contract really is.

The contention of appellant's counsel indicates a failure to comprehend what is meant by an implied contract, and practically assumes that if *any* circumstances exist from which an offer might be implied, it must be implied without regard to other circumstances, and that the acceptance of that offer follows as a matter of course. It is submitted that no contract can be implied unless all the facts of the case, taken to-

gether, compel the conclusion that the minds of the parties must have met, so that it must have been fully understood by them both that the offer was made and was accepted.

It has been repeatedly held that the mere use of a patented invention by the United States does not imply a contract to pay a royalty. One of the latest decisions on this point is *Russell and Livermore* v. *United States* (182 U. S., 516), where it was held that if the acts of the parties are inconsistent with the idea of their having intended to contract, no contract can be implied, even if the invention is used. The facts of that case differ widely from those of the present, but the fundamental doctrine is the same, viz, that no contract can be implied from circumstances which indicate that the minds of the parties did not meet. In the present case we have an invention made by an employee, embodied in the form of a practical machine at the employer's expense, experimented with at the employer's cost, a patent applied for for the purpose of protecting the inventor, the invention being suitable for use in any plate-printing house where papers representing value were engraved, the employer's adoption of the device, the manufacture of some hundreds of the machines in the shop where the employee was assistant master machinist, the daily use of these machines by the employer for years, the continued retention of the employee in the service, absolute silence on his part for over fourteen years as to any

demand for compensation for the use of his device, while his employer's representatives believed and understood that no royalty was to be paid. Can it possibly be said that the court should imply from these facts that the minds of the employer's representatives and the employee met, at the time of the adoption of the device or at any subsequent time, and that it was agreed between them that a royalty should be paid for the use of the machines so made?

Unless the circumstances were such as to justify a belief that the minds of the parties actually met as to this point, no contract can be implied, for "an implied contract is founded upon a presumed agreement" (*Simpson* v. *United States*, 31 C. Cls. R., 217, 245), to which agreement the United States must be "a party in the same sense in which an individual might be, and to which the ordinary principles of contracts must and should apply." (*Smoot's Case*, 15 Wall., 35, 45). Unless the circumstances would have warranted the implying of a contract as between individuals, they can not warrant it where the United States is a party.

Review of appellant's authorities.

It may be as well to notice the authorities cited in support of the appellant's main contention, as every one of them is easily distinguishable from the present case.

United States v. *Burns* (12 Wall., 246) was not a case of implied contract at all, but of an express contract, where the payment of the stipulated royalty had been stopped under an erroneous idea that the contract was illegal.

Cammeyer v. *Newton* (94 U. S., 225), *James* v. *Campbell* (104 U. S., 356), and *Hollister* v. *Benedict and Burnham Mfg. Co.* (113 U. S., 59) were not suits against the Government, but ordinary infringement suits against Government officers personally, who were, however, held not to have infringed.

In *McKeever* v. *United States* (14 C. Cls. R., 396; affd., 14 Brodix's Am. & Eng. Pat. Cas., 414) a patentee had offered certain patented inventions to an army board, and they had ultimately been adopted. There were no circumstances from which the officers could have believed that the devices could be used without compensation, and it was held that they must have intended that compensation should be paid.

United States v. *Great Falls Mfg. Co.* (112 U. S., 645) was a case of the taking of real estate. Legal proceedings for its condemnation had been begun, but had been abandoned, apparently because it was feared that excessive damages would be awarded. It was held that the obligation to pay reasonable damages was the same as if the legal proceedings had been persisted in. There was no question but that both parties understood each other perfectly, and that the only dispute was over the precise amount to be paid—a state of facts utterly different from that of the present case.

Both this *Great Falls* case and *Great Falls Mfg. Co.* v. *Garland* (124 U. S., 581) undoubtedly recognize that if the Government takes property it is, as a general proposition, liable to the owner for its value. In the present case, however, the property was taken either

under a reasonable belief, due to the appellant's own acts, that there was a free license, or else it was an infringement, which is outside the jurisdiction of the Court of Claims.

In *United States* v. *Palmer* (128 U. S., 262), the circumstances under which the appellee's devices were offered and adopted (one of the devices being already patented at the time of the offer, and the other being then about to be patented, though the patent did not issue until shortly before the adoption, and there being no circumstances from which to imply free license) rendered it impossible that the Government's officers should not have understood from the first that compensation was demanded, and hence a contract was necessarily implied.

In *United States* v. *Berdan Fire Arms Mfg. Co.* (156 U. S., 552) it was perfectly well understood that the patentee would require compensation if his device were used, and the Government's officers agreed that his demand was proper, the only doubt being as to whether the device was actually used, or patentable even if used. It being ultimately held that it was used and the patent valid, the liability to pay followed as a matter of course.

United States v. *Lynah* (188 U. S., 445) was a case of what was held to be the taking of real estate. There was no possible ground for any expectation that compensation would not be demanded, so that the Government's officers must have intended to pay for whatever land was taken, and hence a contract was properly implied.

In every one of the above cases in which a contract was implied it was evident that there must have been an actual meeting of minds, although in some cases the evidence was only circumstantial. In the present case it is found as a fact that the minds of the parties never met, and the reason for this was that the appellant abstained from doing that which, if he wished to contract, he ought unquestionably to have done, viz, to tell the Government's officers plainly that his invention could not be used without pay. Under these circumstances, the idea of implying a contract is little less than preposterous.

Sound public policy requires that the judgment be affirmed.

It will perhaps be contended that the defense in this case is at best technical, and that all doubts should be resolved in the appellant's favor, as it is conceded that the Government has benefited by his invention. Without denying the benefit received, it is submitted that sound public policy is on the side of the defense. The Revised Statutes, sections 3709–3747, regulate the making of public contracts. The intention of Congress is manifest, viz, that all public contracts should as far as possible be made openly, after free competition, with every detail provided for, so as to avoid all misunderstanding and litigation, and to keep the expenses of the Government from being increased by unforeseen demands. Nothing could be more opposed to the whole statute law as regards public contracts, than the making of a contract in the manner

in which the appellant has sought to make one. Judicial legislation has always been condemned, and a judicial contract would merit the same condemnation. It is submitted that what the appellant really seeks is a judicial contract, a contract, that is to say, which was never really made, a contract without any meeting of minds, but which the court is asked to make for him, he having wholly failed to take the proper steps to make it for himself. The appellant had full power and opportunity to make, or at least to offer to make, such a contract as the statutes contemplate should be made. For reasons best known to himself, or for no reason at all, he abstained from taking the necessary steps. Should the present claim be sustained, the statutes in regard to public contracts will be of little value, for if any man can contract with the Government, or extend the scope of a Government contract already made, by implication of law, when the officers concerned sincerely believed that they were assuming no liability on the Government's behalf, the inducements to avoid the hard and fast terms of express contracts, and to leave everything to elastic implication, will be very great indeed. Public policy, therefore, it is submitted, demands that this court should not look favorably upon any attempt, such as the present case involves, to contract by implication and not by express agreement.

CHARLES C. BINNEY,
Special Attorney.

L. A. PRADT,
Assistant Attorney-General.

O

Supreme Court of the United States.

No. 195.—October Term, 1904.

Joseph L. Harley, Appellant,
vs.
The United States.
} Appeal from the Court of Claims.

[May 8, 1905.]

Mr. Justice McKenna delivered the opinion of the Court.

Appellant sued in the Court of Claims to recover the sum of $102,000, for the use, during the six years preceding the commencement of the suit, of a device invented by the appellant for registering impressions in connection with printing presses. The Court of Claims dismissed the petition. The findings of the Court of Claims are as follows:

"II. In November, 1869, the Secretary of the Treasury determined that certain valuable securities should not be printed in the Bureau of Engraving and Printing until proper and reliable registers should be attached to the presses. While the Chief of the Bureau was endeavoring to devise and procure a trustworthy form of register, the claimant brought to him the drawings of a device which he had invented, being substantially the device described in the foregoing letters patent. The Chief of the Bureau ordered a register to be immediately made after the claimant's device. At the time of giving such order he understood that the device was the claimant's invention.

"The register so ordered being completed, and tried, and found satisfactory, the Chief of the Bureau proposed to take the claimant to the Secretary of the Treasury that he might explain it to him. The claimant thereupon objected that the invention was not yet patented, and that he wished, before exhibiting it, to obtain a patent for his individual protection. The Chief of the Bureau replied, 'Certainly; I will see that you are protected.' The claimant, then tacitly consenting, was taken before the Secretary, and explained to him the operation of the register, and the Secretary was at the same time informed that this was the register which the claimant had invented. The Secretary approved the form of register, and directed that such registers be made and attached to the presses in the Bureau.

"Before such registers were manufactured the claimant remonstrated to the effect that he wished first to secure a patent. The Chief of the Bureau replied that he would see the claimant protected and would get him a patent attorney who would explain the law to him. This the Chief of the Bureau did, and the attorney so selected proceeded to procure the patent before set forth, the claimant, not the defendants, paying him and the costs

and expenses thereof. The attorney so selected at the same time informed the claimant that the manufacture and use of registers in the Bureau would not interfere with or prevent the procurement of the patent.

"After being so advised, the claimant raised no further objection to the registers being manufactured and used, and tacitly acquiesced in the same.

"There was no agreement or understanding between the parties in regard to royalty or the payment of remuneration for the use of the claimant's invention in the Government's printing and engraving other than such as may be inferred from the preceding conversations. On the part of the claimant it was supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury. But on the part of the Secretary and Chief of the Bureau it was supposed and understood that the claimant, being an employee of the Treasury Department, would neither expect nor demand remuneration.

"III. That ever since the issuance of said letters patent the defendant has constructed, and has used continuously, from the date of said letters patent, to wit, March 1, 1870, upon and in connection with plate printing presses used by the defendant in the Bureau of Engraving and Prin ing and in the Treasury building, the device aforesaid, so patented to the claimant, for the purpose of registering the number of impressions made by the various plate-printing presses, both hand and steam, employed and used by the defendant in the said Bureau of Engraving and Printing and in the Treasury Department building.

"IV. The claimant at the time of the making of his invention before described was assistant master machinist in the Bureau of Engraving and Printing. He was never assigned to the duty of making inventions, and it was not a part of his duty to do so; and the invention before described was made within his own time and exclusively at his own cost, and was a completed invention, properly and sufficiently set forth in drawings when first brought to the Chief of the Bureau, as set forth in finding II.

"V. The defendants were in the undisturbed use of the claimant's invention from July 24, 1878, to July 24, 1884, by attaching such registers to a great number of their presses. During that period the claimant made no objection to such use of his invention, and failed to give notice to the Secretary of the Treasury or the Chief of the Bureau of Engraving and Printing that he would demand royalty or remuneration therefor.

"VI. The average number of presses with claimant's device used by the defendants between July 24, 1878, and July 24, 1884, was 200 per day, covering 1802 working days."

The question in the case is whether, on these facts, a contract arose between the United States and the appellant, whereby the United States promised to pay him for the use of his device.

We held in *Russell* v. *United States*, (182 U. S. 516–530,) that in order to give the Court of Claims jurisdiction, under the act of March 3, 1887, (24 Stat. 505, chap. 359,) defining claims of which the Court of Claims had jurisdiction, the demand sued on must be founded on "a convention

between the parties—'a coming together of minds.'" And we excluded, as not meeting this condition, those contracts or obligations that the law is said to imply from a tort. (*Schillinger* v. *United States*, 155 U. S. 163; *United States* v. *Berdan Firearms Mfg. Co.*, 156 U. S. 552.)

In the case at bar the Court of Claims finds that the appellant "supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury"; but it also finds that "on the part of the Secretary and Chief of Bureau (Engraving and Printing) it was supposed and understood that the claimant (appellant) being an employee of the Treasury Department would neither expect nor demand remuneration." That there was "a coming together of minds" is therefore excluded by the findings. And the use of the device cannot give a right independent of the understanding under which it was used. The appellant should have been explicit in his demand. He contends that he was, but manifestly he was not, or the curious opposition between his expectation and that of the Secretary of the Treasury and Chief of Bureau could not have occurred. And we cannot assent to the suggestion that he "was by coercion prevented" from making a demand "in terms" by his subordinate position. How long must we suppose such coercion lasted and that he could have permitted a misunderstanding of his purpose? Six years passed, and the Chief of Bureau with whom the negotiations were made went out of office; another succeeded. No demand was made of either for compensation. Further time passed, and other chiefs of bureau succeeded. There was a succession of Secretaries of the Treasury; no demand was made of any of them. His first demand was the petition in this case, over fourteen years from his first interview with the Secretary of the Treasury. This delay cannot be overlooked or interpreted favorably to appellant's contention. He sues for $102,600, and this does not include the royalties that he contends he was entitled to for the first six years the device was used. He claims a royalty of twenty-five cents a day on an average of two hundred machines—that is, $50 a day. He was an employee of the Government at a modest salary, and we cannot conceive there was no inducement in $50 a day to an explicit demand of his rights, or that he was willing to wait, or felt himself coerced to wait, for their realization for fourteen years, and even to lose compensation for six years by the operation of the statute of limitations. The rights of the Government are obvious. The contention of the appellant forces on it a liability that it might not have taken. It was given no election of the terms upon which it would use the register, or whether it would use it at all. Of course, this argument is based on the fact that there was no coming together of the minds of the parties, or, as expressed by the findings of the Court of Claims, that "it was supposed and understood"

by the officers of the Government that appellant "would neither expect nor demand remuneration." And this fact distinguishes the case from *United States* v. *McKeever*, (14 Ct. Cls. 396,) affirmed by this court; also from *United States* v. *Lynah*, (188 U. S. 445,) and the other cases cited by appellant.

Judgment affirmed.

Mr. Justice PECKHAM dissents.

True copy.

Test:

Clerk Supreme Court, U. S.